

mpson-Noel

abduct UK Royal

Three Royal Navy officers were finally returned to their ship after French fishermen abducted them as they boarded a French trawler in British

waters. The French vessel ignored orders to make for the UK's Channel Islands and headed for the

French port of Cherbourg with the officers on board. In a separate incident, French fishermen in Cherbourg seized a Royal Navy patrol boat, HMS Blazer, buring its white ensign flag.

Bosnian ceasefire holds: A ceasefire from

noon yesterday, agreed by Bosnia's three warring parties, appeared to be holding, as a long-delayed United Nations relief convoy reached the besieged eastern town of Srebrenica, where 60,000 people

IBM rivals throw doubts on Gerstner: IBM's competitors moved swiftly over the weekend to capitalise on uncertainty created inside and

outside the world's largest computer maker by

the appointment as chief executive of Mr Louis

Murdoch's News Corporation is seeking a \$3bn

today formally to propose in a New York bank-

News Corporation seeks \$3bn loan: Rupert

revolving loan from a group of international banks.

to help refinance outstanding debts at lower interest rates. Separately, Mr Murdoch is expected

ruptcy court to take control of tabloid newspaper

European Monetary System: The French franc remains at the bottom of the exchange rate

central Ecu rate is -64 percentage points compared to around -70 last Monday. The Belgian franc is now neck-and-neck with the D-Mark in the

EMS: Grid March 25, 1985

grid. In the middle of last week, the Belgian cur-

rency had fallen below the D-Mark, following

the resignation of the Belgian government.

The chart shows the member currencies of the exchange rate mechanism measured against the

weakest currency in the EMS's narrow 2.25 per

cent fluctuation band. In practice, currencies in

the narrow band cannot rise more than 2.25 per

cent from the weakest currency in that part of

the system. The Spanish peseta and Portuguese

escudo operate with 6 per cent fluctuation bands.

US defence moves delayed: The Clinton administration has postponed all big decisions

programmes until it has finished a "bottom-up

Threat to new UK rail terminal: A 2130m (\$184m) international rail terminal being built

at London's Waterloo station, the UK's biggest station project since the last century, could become

obsolete six years after opening if the Channel

irish rally calls for peace: About 15,000 Irish

demonstrators, led by a Dublin woman, held an

emotional rally in protest at the IRA killing of two children in a bomb hlast in England. A small

Republican counter-demonstration before the

Trade talks seek to avert US sanctions:

Senior US and European Community trade officials

hold critical talks in Brussels today simed at

averting US sanctions over EC government pur-

chasing policies, and at restoring momentum

to stalled talks on global trade liberalisation.
Page 14; Growth in world trade speeds up after

three years, Page 6. Trade apostle with his eye

Nigeria elections candidates emerge:

Two millionaire businessmen close to military leader Ibrahim Babangida looked set to emerge as presidential candidates in Nigerian elections

Glazo, Europe's biggest drugs company, has agreed to demands by the US Food and Drug

claims about its ulcer treatment drug Zantac.

S Korea train crash tolls \$7: At least 67

over in South Korea.

passengers were killed and more than 120 injured

when an express train left the rails and turned

PLO delays decision: The Palestinians are to defer a decision on whether to attend the next

round of Middle East peace talks. PLO chairman

Administration that it withdraws some promotional

protest rally was boold off.

n the ball, Page 13

tunnel rall link is built as planned. Page 14

on military force structure and defence equipment

review of defence needs and programmes". Page 6

mechanism's grid but its divergence from its

Gerstner, who has no computer industry

are desperate for aid. Page 14

experience. Page 15

trick Punt

B.Preno:

D-Hark

Escudo

D. Krone

The New York Post. Page 15

Navy officers

A NEW look based thinking and med of firely in gard and apathy the are northern heatight are far more chemisphere. In they are all entered in the py in the sentered in the py in the py in the sentered in the py in the sentered in the py in the py in the sentered in the py in the sentered in the py in the sentered in the py in the py in the py in the sentered in the py in the sentered in the py in the sentered in the py in the py in the sentered in ning for prospers, a nut and many he to the lourist, and the billion and seed and carrying on the equator sing the equator si and depression. is at Demos take and ing to power in the

es towards us. eeks ago there at The Times in which a rer, some danger, Wrong with Britis ion, that it would be tinker with the triament, the land what have you - h

NDSAW

when this internet grateral - a expos tille, of a par old Brits stight separately. And a becomened? We have at our insulutions In the pey Toat our As Choice That our of group ted. That Esus and that the life

ाल (वर्ष) विकास ements that the P and the whole of b Witter and mod for STATE OF STATE OF USE OF STATE Something the state of the stat ेत्राच्या १९९५० मध्या विकास trees to wind Buts No. 5 week it man to these steel

: Small Bruter 20: go me dan go to Port roics Roll the his death and term leader of the 2 Total British of Children Street THE THE PERSON to Activity Have 100 TOTAL TO BE mentage the flak for! district disenses the House of Land. the House of Com-

the school of th s complete ships Par Statem and the The the late has the treate In family e de commente de financia de la commenta del commenta del commenta de la commenta del commenta d

d or the District of the control of Yassir Arafat said the issue would be decided ... on April 8. Page 3 European software body planned: A group of leading computer companies and their customers are seeking to improve Europe's competitiveness through a new research institute in Bilbao. Page 2 Diamond exchange: The first diamond exchange in Eastern Europe opened in Prague, with organisers saying they hoped it would bring trade with diamonds in the Czech Republic under

The Good how we will be a construction of the construction of the











FINANCIAL TIMES

French fishermen | President strengthens his position after deputies reject compromise

Ballot to impeach Yeltsin fails in Congress

MR Boris Yeltsin, the Russian president, yesterday survived a vote on his impeachment by the Congress of Peoples' Deputies. His rival, Mr Ruslan Khashulatov, the parliamentary speaker, survived a simultaneous vote of

In a secret ballot, deputies cast 617 votes in favour of impeaching Mr Yeltsin, well short of the 689 required to remove him from

.It said about 400 members voted to oust Mr Khasbulatov, below the 517 needed for his dis-

The attempt to remove both men was a furious reaction by the Russian parliament to an overnight compromise agreement by the two arch-rivals which would have called early elections and abolished the legislature. The vote against Mr Yeltsin's

impeachment appears to mean that he retains the special powers he declared for himself last week. Under these powers, his decrees and instructions can be challenged only by the Constitutional Court and not by perliament. Mr Yeltsin drew strength yesterday from a rally of about

60,000 supporters, which gathered behind St Basil's Cathedral, just outside the walls of the Kremlin. He addressed them soon after a compromise offer had failed. He said he would "not submit to any decision of the Congress to

The rally, led by Mr Yegor Gaidar, the former prime minister, Mr Genady Burbuils, the former presidential aide and others. heard Mr Gavril Popov, leader of the Movement for Democratic Reform, say that "we're living badly because we're conducting the reforms badly. They're trying to turn out the president because

troughs of Congress # G7's reluctant convert

but the people won't let them". A rival gathering of some 10,000 nationalists and communists rallied on the Manezh Square to hear a succession of calls for the impeachment of the president. In contrast to the pro-Yeltsin rally, this was heavily policed, with mounted militia, armoured cars and water cannons ringing the relatively small

It is the first Congress for over a year from which Mr Yeltsin has emerged strengthened, with no muddled compromise constraining his actions. However, on Saturday he had used his promised plebiscite on trust in the president on April 25, which he had represented as a critical opportunity to listen to the voices of the people, as a bargaining chip: he offered to cancel the plebiscitein exchange for an election in November for the president and a new two-tier parliament.

Yeltsin, Mr Khasbulatov and Mr cextra support to his opponents.
Victor Chernomyrdin, the picture • The president will be tempted. Victor Chernomyrdin, the picture • The president will be tempted, minister - and then proceeded by in the period to the April 25 plebivote themselves the right to hal-lot on the future of both Mr Yelt-will increase support in him by sin and Mr Khashulatov.

the past few days, finally arou the ire of the deputies who according to one - had "grown plain sick of him", Several dangerous elements

• The president and the parliament are now more bitterly opposed than ever. Deprived of the opportunity to impeach him-by parliamentary means, hard-

M Yeltsin rides the peeks am



Survivor: Borts Yeltsin clouches his hands in anticipation of triumph in yesterday's impeachment vote

line opponents will be tempted increasingly to turn to extra-parliamentary protest.

 The Congress passed a resolu tion taking control of TV and radio into its hands, by demanding the right to appoint supervising committees over all the stations with the right of appointment of the chairmen and of interference in programmes.

 Mr Yeltsin's main argument for his actions, underscored on Saturday by Mr Chernomyrdin, is the "catastrophic" state of the economy and the need for rapid action. However, these actions credits and increasing unemploy-ment - will weaken his still . However, deputies rejected this ment - will weaken his still compromise agreed between her impressive popularity and give

paying out extra beneftis.
Jurek Martin, US Editor, adds The speaker, who had made Several dramatic turnabouts over from Washington: Mr Warren state, yesterday said the US would be "very steady" in its support of reform in Russia, of which "by far the best exponent

ts Boris Yeltsin". Interviewed on TV as the Russian parliament voted on the impeschment motion, he said Mr Yeltsin was right to have called a

Yeltsin supporters say no compromise

THEY ALL showed up yesterday: the time of compromises is over the destitute pensioners, the after he was publicly challenged flashy entrepreneurs, the impov-erished intellectuals and professionals and the manual workers, writes Leyla Boulton in Moscow. Just as he was offering to give up the referendum be had called

for April 25, President Boris Yeltsin's supporters turned out in their biggest numbers since the August 1991 coup to arge him to step compromising with his conservative opponents.

"Enough Compromises with Communist Criminals," said a benner attacking the paritament. There were also attacks on its speaker, Mr Ruslan Khasbulatov, who was likened to Stalin and urged to return to Chechnya, the rebellious southern region which has declared independence from Russia and recalled him as its

deputy.

But by the time tens of thousands marched from the town centre to the gates of the Kremlin, the congress vote to reject any compromise with the Bus-sian leader gave him no choice but to swear to the rally "that after he was publicly challenged by Ms Elena Bonner, the 70-yearold widow of human rights leader Andrei Sakharov.

Mr Yegor Gaidar, the former prime minister who launched the market reforms now under attack from conservatives for impoverishing the people, draw some of the loudest applause.

"We may eat only bread, but we must be free of these Commu nists who choked Russia for 70 years," said Klava, a retired metalworker and one of the millions of pensioners whose living standards have been ravaged by the reforms. "We won't die, we will survive."

and portable lavatories provided by the Moscow mayor's office, the lightly policed event was in stark contrast to another demonstration in Red Square. There some 300 baton-wielding police hemmed in a demonstration of a extreme nationalists who have found common ground.

French right wins election landslide

By David Buchan in Paris

THE sweeping victory of France's conservative parties was last night confirmed in exit polls, which predicted they had won all but around 100 out of the 577 National Assembly seats in yes-terday's run-off election.

Within the victorious coalition, the Gaullist RPR party won more seats than its UDF partner, mak-ing it highly likely that President François Mitterrand will choose the new prime minister from

within the RPR's ranks. Mr Jacques Chirac the RPR leader, whose main ambition is to succeed Mr Mitterrand in the presidency in 1995, indicated that he did not expect to be the new

The new government would have "all my support", he said. Mr Chirac's preferred candidate for the premierahip is Mr Edouard Balladur, the RPR finance minister in the conservatives's first cohabitation govern-

ment under President Mitterrand Early exit polls gave the Socialists 68 or slightly more seats, compared to the 277 which they and their minor alies had held in the last parliament. The Socialist rout was dramatically underscored by the defeat of Mr Michel Rocard, who had hoped to be the Socialist standard-bearer in the 1995 presidential contest.

Another Socialist heavyweight to fall last night was Mr Roland Dumas, foreign minister, who falled to keep his Dordogne seat. The turn-out appeared to be no higher than the 68.9 per cent in last weak's first round of voting. The outgoing Socialist government thus failed in its call on left wing voters and abstention-ists to rally behind it to limit the size of the centre-right landslide.

Under the French parliamen-tary system, in which 58 votes are needed to to launch censure motions against the government the Socialist may barely survive as an effective opposition. But they will get support from the Communists who appeared to have kept 30 of their seats.

The extreme right-wing National Front seemed to have won only a couple of seats, and its leader, Mr Jean-Marie Le Pen, lost his bid for a seat.

> Background, Page 2 Editorial comment, Page 13

Fresh probe into Mafia links of Italian politicians

FIVE political bosses in Nanles were warned yesterday that they were under investigation for alleged association with the city's organised crime families, the

This follows the move by Palermo magistrates over the weekend advising Mr Giulio Andreotti, the veteran Christian Democrat politician who has served seven times as prime minlster, that he is under investigation for allegedly consorting with the Sicilian Matie. These latest moves confirmed

the shadowy links between the Mafia and the political establishment have become a central issue in Italy's corruption scandals Mr Andreotti, 74, and now a life senator, is the most senior political figure to have received such a warning. He released the news and proceeded to defend himself

vigorously.

Parliament has been sent a dossier concerning Mr Andreotti running to over 200 pages, and this will form the basis of whether his parliamentary immunity will be waived.

As Italy's post-war political establishment has been progressively incapacitated by more than a year's investigations into corruption in the north of the country, the politicians long suspected links with organised been touched.
Naples magistrates have begun

to act after years of inactivity or investigations which were deliberately buried. Within the pest 48 hours, 18 members of partiament and Euro-MPs have been wanted they are under investigation for alleged corruption and half the city council has been arrested.
All the Naples political besses have been caught in the net, and the magistrates are now fellowing even more potentially explo-sive leads of their alleged finks with the local Matie.

These served notice yes are already involved in investiga tions for corruption. The most notable are two furmer Christian Democrat ministers — Mr Antonio Geva and Mr Paolo Chr ino Pomicino, Last highe Mr Geva a feamer interior minister. cava, a namer imposer mailster resigned as leader of the Chris-tian Democrat group is the sen-ate and his seat on the loan me-liamentary commission: for constitutional referm. Both he and My Pomicino, a somer finance minister, denied any

hrealvement with the Mafia,
According to leaks from Palermo rengistrates, they wish to
question Mr Andreotti over his
connections with Mr Salvatore Lima, the Christian Democrat

crime in the south have scarcely com in Sicily, was a close friend been touched. considered to have acted as an

intermediary with Rome. Investigations into Mr Lima's death and the subsequent asses-sination of the two leading anti-Mada magistrates, Mr Giovanni Falcone and Mr Paolo Borsellino, lie behind the magistrates' move on Mr Andreotti. His alleged mediation with the Mafia has been referred to by at least three and perhaps six former members of Sicilian class who are now cooperating under plea bargaining programmes. Mr Andreotti claimed that these confessions were nothing more than a vendetta for having initiated under his premiership a drive against organised crime.

Mr Andreotti has been in gov-ernment since 1946 and has held every office of state except the lency. He has been named in 26 different parliamentary inquiries over the years. But he has proved a remarkable survivor and he has maintained his reputation until the Lima affair despite a friendship with Mr Michele Sindona, the disgraced banker, and Mr Licio Gelli, the grand master of the secret sonic lodge, P2.

In recent weeks Mr Andreotti has seen all his key supporters become caught up in corruption

Euro MP who was assessmined by the Maria last March, Mr Lima, the most powerful politi-Continued on Page 14 Romign Exchanges

© THE FINANCIAL TIMES LIMITED 1993 No 32,025 Week No 13

LONDON - PARIS - FRANCE

Between 1982 and 1992, the dollar volume of stocks traded on The Nasdaq Stock Market has increased by 958% - almost triple the figure achieved by the other major US stock exchange.

last year, the Nasdag Composite Index achieved more than triple the gain in both the S&P 500 and the Dow Jones Industrial Average.

And, having become the world's third largest stock market in 21 years, this year Nasdaq celebrates its 22nd birthday by moving up to second place worldwide, ahead of the Tokyo Stock Exchange. To keep up with our growth, simply contact The THE NASDAQ STOCK MARKET

Nasdag Stock Market, 43 London Wall,

London EC2M 5TB. THE STOCK MARKET FOR THE NEXT 100 YEARS

Chirac's party in strong position to dictate terms

MR Jacques Chirac's Gaullist RPR party was last night on course to become the biggest single force in the new French parliament, according to early exit polls by the Sofres market research consul-

The Sofres polls, which were conducted before the end of the second round of voting in Paris but which are generally regarded as reliable indicators, suggested that the RPR would emerge with 253 of the 577 seats in the National Assembly, comfortably ahead of the UDF, its main partner in the conservative coalition, with 214

This leaves the RPR in an extremely strong bargaining position when it comes to the choice of prime minister, who is selected by the French president but who traditionally comes from the largest party in the National Assembly, and also in the allocation of ministerial posts.

Mr Chirac, who was prime minister in the last cohabitation government from 1966 to 1988, has made it clear that he does not want the job again, saying that the thought "sends shivers down my spine".
The RPR leader, who is now favourite to
win the 1995 presidential elections, does

not want to risk a repetition of the embarrassing, humiliating clashes with Socialist President François Mitterrand, which he believes cost him the 1988 presidential

However Mr Chirac is keen for an RPR candidate to be chosen as prime minister, preferably Mr Edouard Balladur, a mildmannered man who served as finance minister in the last conservative government.

By Alice Rawsthorn

ONCE the final tally of votes

in yesterday's parliamentary

election is proclaimed this

morning, France will move on

to the other issues which will

determine its political fortunes

for the next two years - the

choice of the prime minister

The conservatives' victory

has been regarded as a fore-

that President Francois Mitter-

rand has had plenty of time to

mull over the various contend-

ers for the premiership. In the-

ory he has a free choice, but in

practice he must choose a can-

didate who can command a

majority in parliament.

The first step towards announcement of the new

French premier will be the res-

ignation of Mr Pierre Bérégo-

voy, the present incumbent. He is expected this morning to go

to the Elysée Palace to tender

his resignation personally to

Mr Mitterrand has tradition-

ally tended to disclose the

name of the new prime minis-

ter later on the same day; he

did so in 1986 at the start of the

last cohabitation government,

when he announced in the

evening his choice of Mr Jac-ques Chirac, head of the Gaull-

ist RPR party.
The president has an empty

agenda today. But he may wish

to delay announcing any deci-sion either because he is genu-

Mitterrand keen

on the new team

inely undecided or because.

characteristically, he wants to

keep the conservatives on ten-

terhooks. The only constraint

is that he must appoint a pre-

mier in time for the first session of the National Assembly

on Friday, which means he has

to make his choice by Wednes-

selection of the new cabinet.

which must also be approved by Mr Mitterrand. The presi-

dent objected in 1986 to Mr Chi-

rac's suggested candidates for

The president is almost cer-

tain to object to at least one of

the new prime minister's sug-

gestions this time, if only

because he will consider it crit-

ical that he exerts his influ-

ence as quickly as possible over the new cohabitation gov-

He will also be anxious to

use his power over the choice of cabinet members to exploit

any potential rifts between the

Friday, when the new National

Assembly will meet for the

first time and appoint its next

president to replace the Socialist Mr Henri Emmanuelli. The

constitution stipulates that

new parliaments must begin either on October 2 or April 2,

to avoid the ignominy of a new

April Fool's Day, or jour de poisson as it is called in France.

The next important date is

conservative parties.

foreign affairs and defence.

The next step will be the

day evening at the latest.

to make mark

Last week Mr Mitterrand threatened to choose a premier from outside the RPR if Mr Chirac persisted in his calls for the

president's resignation. Mr Mitterrand is in principle still free to look outside the RPR for his prime minister, but the scale of the Gaullists' lead over the UDF makes it considerably less likely that he will do so.

The RPR's ascendancy should also help Mr Chirac in his bargaining with the UDF over cabinet posts, thereby having impor-tant implications for the future of French

There are significant splits between the two conservative parties on important areas of policy, notably in foreign affairs, where the Gaullists are far less enthusiastic than the UDF about continuing France's close monetary links with Germany and much more aggressive about sabotaging last summer's European community agricultural reforms.

However the RPR's room for manoeuvre will be restricted by the influence of Presi-dent Mitterrand who has the right to veto cabinet appointments and who will be particularly anxious to establish his own authority, as head of state, over foreign

But there is little that the president, or even Mr Chirac, can do to muffle the rogue voices in the Gaullist camp, notably those of Mr Charles Pasqua and Mr Philippe Séguin, who led the anti-Maastricht campaign in last autumn's referendum and have since argued forcefully for the deval-

uation of the tranc. Their party's success may make the RPR rogues even more confident about raising

minister beice, once (1974-5) under Glacerd

once (1986-66), under Militerrand and does not.

Valény Giscard d'Estaino

Acced 67 Lender

ex-president (1974-81) does

not personally harder after the prime ministerals But will bargain hard for maximum

hard for maximum UDF influence in

for the presidency to succeed. Mitterrand in 1995, and wants to

overnment in hunds of his lextenent, Edouard Bellistiur.

Franc's defence dictates need for new relationship with Germany

government's foreign, as well as domestic, policy will be maintaining the franc's parity with the D-Mark, as the only ASSEMBLÉE achievement which still NATIONALE holds the door open to Elections '93 eventual European mone-

tary and political union. But that does not mean France's external policy will be unchanged. Indeed, it is precisely to maintain the departing Socialist government's strong currency stance - at a time of wide reces-

sion in Europe and record real interest rates at home - that France's new centreright governors want a new relationship with Germany.

All that is mentioned in the joint RPR and UDF manifesto is the need for a "new initiative" with Germany in the monetary field. But this is just one - though the most important - element of a package deal, including a more aggressive European commercial stance and recognition of Germany's greater geo-political status, which the new government seems to want to present to Germany.

if the government can get Germany to agree, it believes that President François Mitterrand will have no cause to try to exercise his prerogative in foreign policy. If the Germans balk, and if an EC crisis erupis, then France's new government may well face trouble from its president and from abroad.

The new initiative towards Germany, says an adviser to Mr Edouard Balladur, the preferred RPR candidate for prime minister, "will not be the caricature" often presented by conservative politicians or by the French employers' federation; France's new prime minister will not dash across Rhine to deliver an ultimatum that Bonn and Frankfurt must somehow find a way to reduce German interest rates by a set percentage by a set date.

NATIONALE

Jockeying for power in a conservative government

RPR: Researctionent pour la République.
The Gapillet party; more nationales than its
UDF partner (see below). Both RPR and UDF
compaigned in support of privatisation,
budget outs and autonomy for the Baricus
de Privace. Large majority of RPR leaders
takens beging the franc shore; The RPR,
for which most farmers who, is very biselle—
ta EC and Gett agriculture reforms.

Senate. This tonuer drinks adolerment his high the senate his sena

a lander of the

campaign in last

professor turned UDF politicien.

and a strong franc as the best way to

get there. Turned down Mitterrand's

of agriculture (1977-81) and would like to be

finance minister. Fact that he is

less well qualified then Alphandery

CDS would help neutra

1995 presidential race.

of one of France's two European

But may have too many of his ow

Balladur, who wants to event close

influence on finance. Big rale for

temptation for centrists to filt with Socialist contendent - like Michel Rocted or Jacques Delors - in the

would like to be del

Van Interior reinlater (1996-88) and

tab crediton of a reserve.

fotion to a more.

new French conservative ernment will take "France's first opportunity since the fall of the Berlin Wall to discuss a new relationship with Germany calmly" in an atmosphere unencumbered by the long Maastricht treaty negotiations. This would involve getting the Germans to acknowledge that with their goal of integ-rating the eastern Länder into the federal republic taking priority over all else, they no longer provide the model of "balanced growth" for Europe to alm at; that France is now a better approximation of this model; and that, at the very least, Germany must share its anchor position in the European monetary system with

What does this "sharing" mean? The

nario changes to one in which Germany foreign minister, has been quite explicit would join France and some other counabout playing this political card. tries in announcing a new monetary union

So, within its first two months, the new government would like some public show of monetary co-operation from Germany. Narrowing the franc/D-Mark fluctuation hands in the EMS is mentioned in Paris, but the Bundesbank might object that such a move would make its intervention in support of the franc more predictable, and therefore harder to wrong-foot specu-

But it seems likely that Paris will expect some early gesture from Germany to reciprocate its promise to create an identikit Bundesbank by giving the Banque de

Will Germany buy such a deal? Mr Klaus Kinkel, German foreign minister, has suggested in French minds that it

would. The minister has been as keen in public to welcome an eventual Security Council seat for his country as he has been overtly impatient about French obstructionism in Gatt. But another senior German minister has retorted recently that there could be "no deal" on this basis, and that most Germans are not interested in Security Council prestige to compromise on their basic economic inter-

· Plo puts

France's Gaullist politicians may therefore be deluding themselves into reading into German minds their own reactions to Security Council status.

If the new government can plausibly show some success in its "new initiative" towards Germany, then it may find it easier to soft-pedal on agricultural policy. France will continue to oppose the draft EC-US deal on farm trade; the incoming conservatives are just angry that the outgoing Socialists have left it to them to possibly wield France's veto. But Mr Jean-Pletre Soisson, the departing farm minister, has shown them it is possible to use guerrilla tactics in Brussels to adapt last year's reform of EC farm policy more to French interests, instead of trying to rip the reform up.

In defence policy, the new government will probably continue to edge France nearer to operational co-operation with Nato. Mr Jacques Chirac, the RPR leader, is clearly persuaded that with a less USdominated alliance, there can be a place

for France. But the Socialists have left one political trap for the new government, by suspending nuclear weapons tests. Resuming such tests - if the US and Russia continue their own test bans - could prove explosive, in

David Buchan examines plans to maintain a strong currency stance

answers here are a bit vague. It does not seem to mean the German government making any precise promise on interest rate cuts, which only the Bundesbank can deliver on RPR advisers believe France has a margin of manoeuvre to lower its interest rates in the coming months, because its short-term rates are a couple of points above German ones, because French inflation is half the German rate of price increases, and because German short-term rates will probably come down another 1-2 percentage points in the next

What the new government absolutely does not want to do is to have to respond to some short-term speculative crisis by raising French rates. RPR advisers see the run-up to Denmark's second Maastricht referendum on May 18 as one such danger point, even if, as expected, the Danes ratify the treaty. If Denmark votes the treaty down, making subsequent UK ratification improbable or irrelevant, then the sceFrance autonomy in monetary policy-set-

The new government's persuasive powers may be taxed even harder on trade. But France's conservatives have campaigned themselves to victory on complaints that the European Commission, passively aided and abetted by the outgoing French Socialist government, has been dangerously derelict in its duty to protect not only agriculture but also industry from unfair international competition. Europe is being asked to open

up too fast on too many fronts, goes the conservatives' argument in Paris. If Germany wants freer trade with eastern Europe, then it must join France in ensuring the EC takes a tougher line in Gatt negotiation

In return for changing tack on monetary and commercial policy, the new French government will support Germany's case for a permanent seat on the UN Security

EC given food for thought over allocating plum jobs

on the common practice at the European Commission of recruiting into its top echelons by national quotas, rather than on merit, as EC rules formally require

The landmark ruling has been widely interpreted as a political blow to the Commission, but it has got some senior Brussels officials rubbing their

Far from damaging the Commission, the judgment has pro-vided it with a weapon to resist member states that insist on slotting candidates they choose into plum Brussels jobs whether or not they are suit-

The Luxembourg court has overruled appointment of an Italian and a Spaniard to senior posts in the fisheries directorate of the Commission, finding that they had been named to nail down slots previously held by compatriots. Two applicants with better creden-tials brought the complaint, and the Court found the appointments were made before the selection process had concluded.

The only shock in this was the sloppiness of the senior Spaniards and Italians in the Commission, and of Madrid and Rome, who had left lots of fingerprints of their premature

decision-making.

Lobbying for senior Commission posts is the norm. There is no formal national quota system as in other international organisations such as the UN. Indeed, the EC rules state that "no posts shall be reserved for nationals of any specific member state".

But the rules also require all EC institutions to recruit "on the broadest possible geographical basis" to maintain a more or less even share-out between

THE EUROPEAN Court National quotas or merit? David Gardner looks at how posts in Brussels are filled

> These rules are "mutually contradictory," says a senior official who deals with personnel policy. "We do our best to navigate between them," wel-coming the Court's decision as "a useful judgment" to help

the Commission do so. But another official who has jobs in the Commission is more caustic. "We appoint the wrong people, to the wrong jobs, for

the wrong reasons."
Political appointments are accepted and above board in the cabinets of the Commissioners, and at the two highest levels of the A-grade policy-making staff of the Commission. It is also acknowledged practice, though not licit under the rules, that control of the 23 Brussels directorates general is partly shared out on an informal "national flag" basis.

France has had a lockhold on the agriculture directorate since the Common Agriculsince the Common Agricul-tural Policy was set up 30 years ago; financial services and transport have been Brit-ish stamping grounds; and Cer-many has had a long succes-sion of director generals for

competition policy.

In apportioning the rest of the DGs, a lot of log-rolling goes on to give member states roughly the right number and influence, in proportion to their size. Thus it was known in February 1991 that a Spaniard would take over the social policy directorate in October 1992 because Spain was one down on its quota, having made way for the UK at the

transport DG. Belgium, by con-

trast, was temporarily one up

on its quota; the key to the

Belgian director general at social affairs who was due to

chairs has spread further down Commission ranks, spreading demoralisation along the way. One reason, made plain in a ment on recruitment of last November, is that "geographical imbalances among applicants are persisting or getting

The Commission chooses from a far smaller pool than national bureaucracies, and in the past five years there has been a sharp rise in applicants from Belgium and Italy and a steep fall in British and Ger-

mong the large mem-A ber states, the UK has always been underrepresented: whereas France. Italy and Germany all have more than 600 A-grade functionaries, Britain has fewer than 500.

As a latecomer this is partly understandable, and it is also to be expected that a certain amount of manoeuvring goes on to try to redress this and other imbalances – particularly given what one official calls the "clientilist" practices

of such member states as Greece and Italy. The underlying problem

is a hopeless imbalance in supply. Of the 93,691 appli-cants for the 3,459 A-grade posts advertised by competi-tion in 1986-91, the Commission report shows, the UK fielded only 4,983, Denimark only 1,574,

country Belgium, 18,529 from Italy and 10,333 from France. The semi-detached Danes and British, though least interested in applying, have the best pass rates (5.8 and 3.7 per cent respectively, against, say, 2.8 and 1.6 per cent of successful applicants from Belgium and Italy). Nevertheless, by sheer weight of numbers, Belgium and Italy get between three and six tim ple into the top of the Commission than Britain and Den-

Brussels goes after too many specialists, who face exams that a French-style elite school provides better preparation for than more generalist training common in such countries as

the UK. Officials say a more rounded approach is now being discussed: to recruit more generalists; give them a broader grounding by passing them through several departments before allocating fixed jobs; and relying more on temporary secondment from national administrations.

This last is partly to circumvent tight restrictions on hir-ing. The Commission is kept small, in relative terms, numbering 14,533 officials at the end of last year, or about the size of the UK agriculture ministry. The EC countries average 322 civil servants per 10,000 inhabitants, against only 0.8 per 10,000 for all EC institutions together.

Widening the recruitment pool, plus the precedent set by the Court, should help the Commission to resist national-ist lobbying, but officials warn that pressures for a carve-up will remain. "Yes, it will bely to resist these pressures," says one senior official. "But to go from there to saying we're going to be recruiting entirely on merit is unrealistic."

Foreign minister is early casualty

ONE of the earliest casualties of the Socialists' defeat last night was Mr Roland Dumas, the veteran foreign minister, who lost his seat at Sariat in the Dordogne to Mr Jean-Jacques de Peretti, the local Gauli-The loss of his constituency

brings Mr Dumas, 70, to the end of a long political career in which he has been as influential in his personal role as a confidant of President François Mitterrand as in his professional ministerial posts.

Mr Dumas spent his early career in journalism but went into politics in the late 1950s. He served as minister of European affairs during the first Mitterrand government from 1981 to 1983, moving on to external relations until 1986 and becoming foreign minister when the Socialists returned to power in 1988.

The Foreign Ministry has traditionally been something of politics, given that the president is generally active in foreign affairs. Mr Mitterrand has been no exception. But Mr Dumas.

Dumas managed to carve out a role for himself, thanks partly to his close relationship with the president but also to his own expertise, particularly in oriental studies.

Mr Dumas has long been seen in France as a bon viveur. The press frequently refers to him (generally approvingly) as

But the raffish side of his nature became a distinct disadvantage in the parliamentary

His bid for re-election has been dogged by a blaze of publicity over his friendship with Ms Nahed Ojjeh, daughter of Mr Mustapha Tlass, the Syrian defence minister, and by the revelation that her family paid for a new £1m scanner at a Sarlat hospital.

Mr Dumas does at least have the consolation that his links with Mr Mitterrand seem to be intact. When the president last week came under pressure from the Gaullists to resign, he turned to two trusty Socialists a poisoned chalice in French to communicate his views. One was Mr Pierre Bérégovoy, the prime minister, the other was his old chum, Mr Roland



dency but will do so if he thinks

namer for prime minister. His political orthodoxy and pro-EC stance

would make him the most acceptable RPR premier to the UDF. Has stated publicly he does not want to be president, so alleying lears of potential rivals that he might use premiership as a stepping stone.

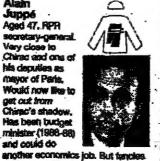
Aged 47. RPR

get out from

and could do

a higher profile this time as foreign

minister at the Quai d'Oragy.



Alain Madeli perty's behalf the RPR, But electropic of before his party or the RPR leadership should be footed



as the only way to control influence on France of Germany's high into rates. A genuine true-murket liberal (a rarity in French politics). Was industry minister (1988-88) but now ecents resigned to a second-ranking ministry, perhaps labour or transport.

Software institute plans to exploit Europe's expertise

By Alan Cane

A GROUP of leading computer companies and their customers are seeking to improve Europe's competitiveness by developing, through a new research institute, better ways to write computer software. Establishment of the insti-tute in Bilbao, Spain, will be

announced today. It will focus on software processes and the rules and procedures for writing effective software. The aim, according to Mr George Grunberg of France's

Groupe Bull, acting chairman of the new institute's board, is to exploit Europe's software expertise: "Modern industrial society relies more and more on the availability and quality of software systems of ever-increasing size and complexity,"

Difficulties in specifying and in software development. New writing large software programmes are recognised as a barrier to the greater use of computerisation in business and industry. While a number of blueprints or methodologies for software construction have been created, no universal method of guaranteeing effec-

yet been found. The members of the group include Bilbao Bizkaia Kutza of Spain, British Aerospace, Sema Group, Logica and Lloyds Register of the UK, Groupe Bull and Cap Gemini Sogetl of France, Olivetti and Finsiel of Italy, and Siemens

tive software development has

Nixdorf of Germany. Each has subscribed Ecu100,000 (£82,600) to launch the project. Membership is open to any company with

members would pay significantly less a year than the founders, Mr Grunberg said, but would have access to all the research and results.

A managing director is being sought for the institute, which is expected to begin work in

The institute, which will operate on a non-profit basis, has the blessing of the European Commission although it is wholly an industry-led initiative. It is expected to employ up to 50 software experts when fully staffed.

Bilbao was chosen after a number of European cities had expressed interest in hosting the institute. It has a well developed high-technology infrastructure and close links with US academic research in

The Floancial Times (Europe) Los Published by The Financial Times (Europe) GmbH. Frankfurt Branch. Nibelungenplatz 3, 6000 Frankfurt-am-Main 1: Telephone 49 69 156850; Fax 49 69 5968481; Telex 416193. Represented by E. Hugo. Managing Director. Printer: DVM GmbH-Hürriyet International, 6078 Neu-Isenburg 4, Responsible editor: Richard Lumbert, Financial Times, Number One Southwark Bridge. London SEI 9HL. The Financial Times Ltd, 1993.

Registered office: Number One, Southwark Bridge, London SEI 9HL. Company incorporated under the laws of England and Wafea. Chairman: D.E.P. Palmer. Main shaveholders: The Financial Times Limited, The Financial Times Limited, The Financial News Limited. Publishing director: J. Rolley, 168 Rue de Rivoli, 75044 Paris Ceder 91. Tel: (01) 4297 0621; Fax: (01) 4297 0629. Editor: Richard Lambert.Printer: SA Nord Eclair, 1521 Rue de Caire, 59100 Roubaix Cedex I. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

Financial Times (Scandinavia) Vimmelskaftet 42A, DK-1161 Copenhagen-K, Denmark, Telephone (33) 13 44 41. Fax (33) 935335.

NOW

CAN GO.

presentation and

Sein and Seine Control

ME HA

wants to be the has been quite the spointical card. s political card come buy such a dear to buy such a dear to summan foreign number of French minds a dear to French minds a dear to be an eventual series an eventual series in a country as he is country as he is country as he is country as he is retorted read to be "no dear on the indicate of the indic

it politicians may be themselves into man is their own reactions status.

The status is the status in the status is the status in the sta e departing fam in em it is possible to n Brussels to adapte.
EC farm policy mortal
instead of trying by y, the new government in the color from

onal co-operation of Chirac, the RPR less ed that with a less is e, there can be a h ts have left one point ns tests. Resumpesi nd Russia contine b ould prove explored

Belgum, 1859 h ed 10,333 from From semi-detached 📭 itish, though least 🕿 in applying have as rates 15.8 and 179 spectively, against c in per cent of suce olicianis from Belgi alv Nevertheless vergn: of numbers ! and Italy get beneand sea times more withe top of the Comm um Britain and R

of the reason with ists who face ext formeis-style eine szi etter prescanat gree them a bred ine ob bassing ge

t several departed

allocating find po

White Reports of tempor ment from more 25410008 last is partly to com the restrictions of a relative terms & 14,500 officials #1 has: year, or about he I'K agriculture he SC countries Civil servants per l

off peace talks decision

By Roger Matthews in Cairo and James Whittington in

THE Palestinians will delay a decision on whether to attend the next round of Middle East peace talks until April 8, Mr Yassir Arafat, chalman of the Palestine Liberation Organisa-tion, amounced yesterday. Mr Arafat told the Middle East News Agency in Cairo that he would be asking President Hosni Muharak, the Egyptian leader, to explain the Palestinian position when he meets President Bill Clinton in

Washington on April 6.
Mr Mubarak will visit Germany and Britain this week before heading off to the US. On Saturday he held talks in Cairo with President Hafez al-Assad of Syria in an effort to reach a joint Arab response to the American invitation to resume peace negotiations in Washington on April 20.

The foreign ministers of Syria, Jordan, Lebanon, Egypt and the PLO also met in Damascus yesterday to consider the US invitation. How-ever Mr Arafat said the PLO executive committee wanted an opportunity to assess the result of current talks in Washington between members of the Palestinian peace talks delegation and administration officials before reaching a final decision.

The Palestinians have so far declined to accept the US invitation without an assurance from Israel that it will stop the mass deportations of people from the occupied territo-

The demand stemmed from Israel's deportation of 415 Palestinians on December 17, au action condemned by the UN Security Council. Syris, Lebanon and Jordan

are all keen to resume negotiations, but wish to find some compromise solution which will also allow the Palestinians to participate. Representatives from all the delegations are expected to meet again in the wake of Mr Muberak's talks in Washing-

PLO puts New man ascends a triple throne

RAVELLING west from the vast Tiananmen Square in the heart of Beijing along Chang An ("Heavenly Peace") boulevard, you pass on your right huge, studded vermilion gates flanked by a pair of heavy, stone imperial lions.

The masses do not dawdle outside these gates, since they would be waved away by smartly attired honour guards of the People's Liberation Army, who snap to attention as black limousines, their win-dows heavily tinted to hide the identities of the occupants, slide back and forth into the traffic, guided by police outrid-

ers.
This is the entrance to the ZhongNan Hai (Middle and South Lakes) compound of the Chinese leadership from where the destiny of one-fifth of mankind is guided and where momentous decisions have been taken that have literally rocked the world, including the order in June 1989 to the army to put down pro-democracy protests in Tiananuen square just a few hundred metres to

These days, as winter turns to spring in the Chinese capital, things appear relatively caim, although beneath the much, one suspects, because of lingering animus about the events of June 4, but because China is once again engaged in a delicate transition from one generation of leaders to the

For the moment, hopes of a smooth transition have been vested in a leadership group that includes Mr Li Peng, the Premier, and Mr Jiang Zemin, the apparently affable Commu-nist Party boss, Chairman of the Central Military Commission and now President, or head of state.

Not since Mao Zedong dominated state and party institu-tions in the 1950s has one man, apart from the briefly-anointed Hua Guoleng (there was no position of president when he served as premier and party boss in the 1970s and early 1980s) had the three roles of head of party, state and mili-

Thus, the 67-year-old Mr Jiang at the weekend attained a trio of leadership positions that will nominally place him

PERSONAL COMMUNICATIONS SYSTEMS

Beijing is again engaged in delicate transition from one generation of leaders to the next, writes Tony Walker

at the very pinnacle of author-ity in the world's most popu-lous country. As he contem-stuff to guide his country furplates his bounty from the high-walled seclusion of the ZhongNan Hat compound, Mr Jiang probably cannot quits

ther into uncharted waters: from a centrally-planned state under rigid communist party diktet to a modernising marlooser central control.

needs to accumulate, or have thrust upon him, responsibili-ties for the party, state and army is seen not as a sign of strength, but of weakness. Mr Deng Xiaoping, China's supreme leader who has proba-

has never been premier, president or party boss: he has not needed titles to assert his

authority.

Mr Jiang, who is being referred to in China's official propaganda as the "core" of the leadership, was not even a member of the Standing Com-

normal springboard for even higher office, when he was hastily moved from Shanghai, where he was mayor, to Bei-jing in mid-1989, just weeks after the Tlananmen massacre. Among his qualifications for the job, apparently, was his lack of direct involvement in His official profile reveals

that he was born in August, 1926 in Yanzhou City, Jiangsu Province in eastern China not far from Shanghai. The son of intellectuals (his communist father Jiang Shangqing is said to have died at the hands of the Kuomintang), Mr Jiang graduated as an engineer from Shanghat's Jiaotong University in 1947, a year after joining the

communist party.

After the 1949 revolution, there followed a series of fairly hundrum jobs, including boss of a foodstuffs factory. One highlight was his posting to work in the Stalin Automobile Factory in Moscow where he learned a smattering of Rus-

Chinese propaganda makes much of Mr Jiang's linguistic skills (he is also said to be able to speak English and Romanian) and his musical abilities. Thus Xinhua, China's news agency, in a recent profile, painted a picture of a cultured eader "capable of appreciating literature, arts, music and

China's new president is married to his childhood sweetheart, Wang Yeping, the for-mer head of a Shanghai engineering research institute. The couple have two sons. There is

at least one grandchild.

While seeking to present Mr Jiang as an avuncular figure worthy of the love and respect of the masses, the Xinhua biography pointedly mentioned, as might be expected of the putative father of the nation, that he is "strict with his children".

Little is known of what fate might have befallen him during that defining moment for many of China's leaders, the Cultural Revolution 1966-1976; but it seems that he weathered those storms fairly adequately. Mr Jiang, one suspects, has invariably managed to be politically correct, whatever winds might have blowing at the time.

Kenya denies rift with donors

THE Kenyan government has dismissed claims of a rift with donors and denied allegations of malpractice in the country's banking sector.

"The government is continu-ing the dialogue with the IMP and World Bank and other donors, but on the basis of more rational and sustainable measures," Mr Musalia Muda-vadi, the minister of finance, said in a statement at the

Donors and bankers had expressed deep concern over the government's decision last Monday to suspend or reverse key elements of its economic reform programme. President Daniel arap Moi had earlier accused the DMF and the Bank of forcing "dictatorial and suicidal" measures on the govern-

Last week's decision was intended to save the economy from collapse, it was not intended to result in a break with the Fund or the Bank," said the minister.

The minister denied allegations of fraud in connection with an export compensation

He also rejected reports that certain banks said to have political connections received favoured treatment.

"It is true that a few banks have run overdrafts with the central bank due to liquidity problems resulting from financial liberalisation, adverse publicity and other underlying problems," said the minister. But he stressed that the

banks were not insolvent, and had "substantial fixed assets which are in the process of being liquidated to generate liquidity". To deny them over-drafts would have caused "upheavals" in the financial system and "untold suffering to innocent depositors", he

explained.
"The running of overdrafts was considered the lesser evil," he added, "especially considering that the banks involved were being restructured to eliminate the need for overdrefts."



Premier LI Peng looks confident as he waits for the start of voting for senior Chinese government posts yesterday. He was reappointed for another five-year term, unopposed.

CHINA'S parliament appointed new state . intended to solidify the leadership group leadership, Tony Walker writes from Bei-

The appointment of Mr Jiang Zemin, 67, the general secretary of the Communist party and chairman of the Central Military Commission, to the additional post of state president is aimed at strengthening collective leadership in the post-Deng

functionaries at the weekend to smooth in this transition phase.

The transition from old-guard revolutionaries to a younger, more technocratic and has aged noticeably in the pust year

He has arged Chinese officials to speed conomic reform, and has been engaged recently in promoting a younger genera-tion of reformists to preserve his legacy, although doubts persist over the cautious Mr Li's commitment to change.

The leadership was clearly intent on

appointment as vice-president of Mr Rong Yiren, the millionaire head of China Inter-national Trust and Investment Corpora-

Among other significant appointments was that of Mr Qiao Shi, a member of the Standing Committee of the Polithuro, to the post of chairman of the Standing Com-mittee of the National People's Congress, China's parliament.

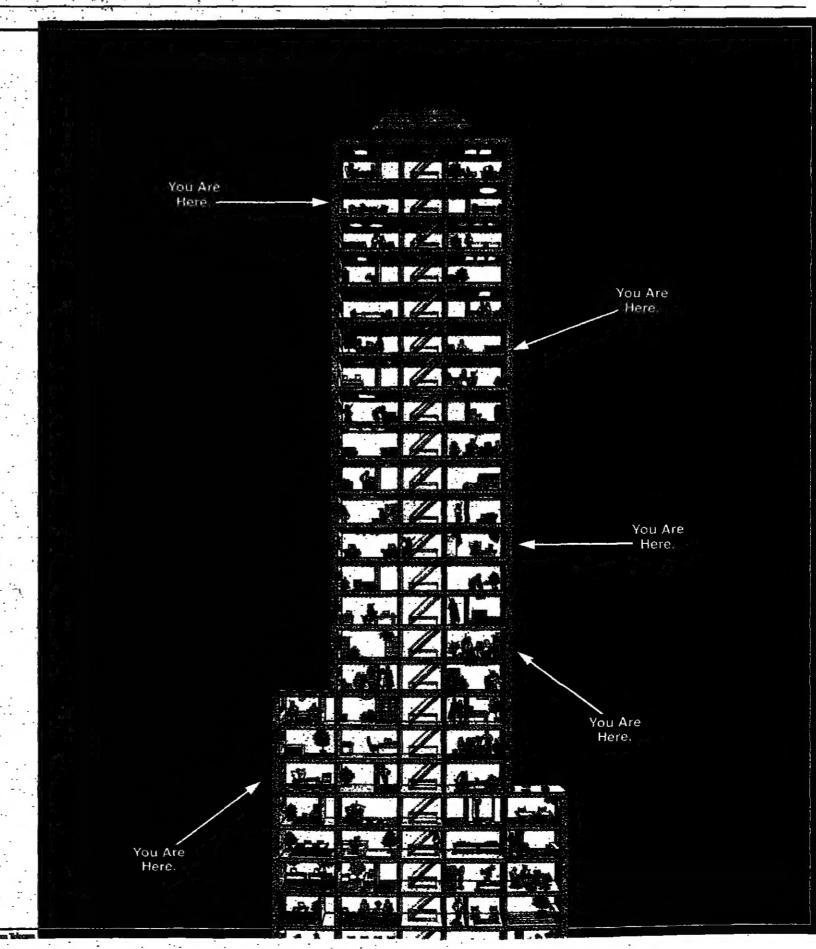
Mr Qiao, 69, who is in charge of security matters, is likely to emerge as a key figure in the post-Deng era. His security Xiaoping era.

Sending a strong signal to the internalikewise, the reappointment of Mr Li tional community of its commitment to
Peng, 65, to a second five-year term is continue opening its economy with the

Now Your Office Phone CAN GO ANYWHERE IN THE OFFICE THAT YOU CAN.

Northern Telecom introduces the COMPANION wineless telephone system for business. With our pocket-sized wireless phone, you and your staff have the freedom to take or make calls from anywhere in your workplace. So you can now be as productive when you're away from your desk as when you're at it.

Northern Telecom. Discovering and delivering the best solutions in voice, video and data communications systems worldwide.



Pollution rights go to auction

Laurie Morse in Chicago on a new move to curb SO₂ emissions

HE US Environmental Protection Agency today announces the results of its first public auction of pollution rights, a benchmark in its novel market-based strategy to reduce acid rain.

The agency has doled out emissions permits to 110 of the largest sulphur dioxide (SO.) polluters, most of them coalburning electric utilities, and will allow the companies to trade any permits, or "allowances", they hold in excess of their own requirements to

A utility that has, for examplc, reduced its harmful emissions by installing smokestack "scrubbers", or has switched to low-sulphur coal or natural gas, might recover costs by

selling excess SO, allowances. The 1990 Clean Air Act requires US electric utilities to halve their emissions of sulphur dioxide, the harmful element in acid rain, by the year 2000. The EPA plans to phase in its tougher standards, and the pollution allowance programme, in two phases. The first phase will involve an

The second phase, starting in 2000, will require all SO, polluters, not just the dirtiest utilities, to meet compliance standards, and SO, allowances will be limited to 8.9m tons annually, well below the 20m tons currently generated each year in the US

The programme has been endorsed by both political partles and by environmental groups such as the Environmental Defence Fund, because it provides a cost-effective alternative to "command and control" regulation. Its proponents, including Vice-President Al Gore, believe the SO, experiment will lead to other marketbased ways to control environmental disruption.

Only a small percentage of allocated emissions allowances will be priced and traded at this month's auction, which is being conducted by the Chicago Board of Trade. The CBoT won the right to administer the war with the New York Mercantile Exchange and the New York-based financial brokerdealer Cantor Fitzgerald.

All three hope to develop

mental rights, though regulatory hurdles have so far limited trading in the SO, allowances. Cantor Fitzgerald has set up a special division, Environmental Brokerage Services, to create screen-traded forward markets for pollution rights. The SO, allowances will be its first product.

"We see a great opportunity here," says Mr Carlton Bartels, director of the division. "There are two important trends emerging in this country. First, people are demanding a cleaner environment, and second, the government doesn't have any money to waste. There is great potential in market-based allocation systems."

The CBoT hopes to develop an electronic spot market in pollution allowances, and later, a futures market. The Nymex, which expects to launch electricity futures some time next year. believes its energy-market constituency will give it a way into the pollution market.

Despite the enthusiasm, utilities are wary of the market and trading has been spotty. Most are nervous about how

their main overseers, state remaining anonymous and public utility commissions, will treat a pollution trade. The state agencies so far have not formulated policies on how SO2 allowances will be accounted for, and if cost savings or profits would pass to shareholders or utility customers.

The utilities are also sensitive to environmental activists. When Long Island Lighting (Lilco), a New York utility whose emissions generally blow out to sea, sold its SO, allowances to Amax Energy, a coal producer which intends to market the permits with its high-sulphur coal to midwestern utilities, New York State and an Adirondack mountains environmental group cried

They fear acid rain in New York will worsen under the programme, because it could allow tall midwestern smokestacks upwind to increase SO. emissions. Their objections are not expected to block the programme. However, the case nerated unwelcome publicity for Lilco.

Utilities participating in

using CBoT clearing firms to execute their bids. EPA has set aside 50,000 phase one permits, and 100,000 phase two permits to sell at the auction. These will be sold to the highest bidder until all are allocated. Each permit represents one ton of sulphur dioxide emissions.

In addition, the CBoT has been commissioned by utility companies to sell 95,000 phase one and 30,000 phase two permits. Those permits will be

subject to minimum prices. The results will provide the first public price discovery for the programme. "Cash trades allowances have been extremely rare because of the difficulting in establishing a market price for them," says Mr Kenneth Rosenzweig, a partner in the Chicago law firm of Schiff, Hardin and Waite who is advising clients

on the emerging market. Presumably, the permits will be priced below the cost of installing scrubbers, and well below the \$2,000-a-ton fine the EPA plans to levy on polluters who do not comply with the programme's emissions stan-dards.

private sector intermediaries financing small businesses. The Bush administration in the US last year said the bank should consider lending to the private sector, and the idea is favoured by Chile, Argentina and now Mexico, which previously opposed it. However,

European government share-holders were lukewarm. The group's report also rec-ommended radical restructuring of the InterAmerican Investment Corporation, the offshoot of the bank which lends to and makes equity investment in private projects. The corporation has been given "a mission impossible" and its current structure was "no longer viable". However, it should continue as a separate entity, the report said. The Bush administration suggested the IIC should be

Lend to

private

sector,

private concerns.

A HIGH-LEVEL group established to advise the Inter-

American Development Bank

after a wave of privatisation -

out government guarantee.

The group's report, put before the IADB board of gov-

ernors at the weekend, recom-

mended 5-10 per cent of the bank's lending could be

directed to helping finance pri-vate infrastructure, without

government guarantees. Lim-

ited sums might also be lent to

merged with the bank.

• Ecuador's finance minister, Mr Mario Ribadeneira, met the country's main bank creditors. led by Lloyds of Britain, in negotiations over a debt relief package. Negotiations are expected today over Brazil's debt restructuring and tomorrow over Poland's.

Stephen Fidler reports from the IADB meeting in Hamburg

Interest rate rise bank told may be threat to Latin America

on how to strengthen the pri-A MOVE to higher interest vate sector in Latin America rates in industrialised counhas recommended that the tries could have destabilising bank lend money directly to effects on Latin American economies, the interAmerican There are growing worries Development Bank says today. that without a shift in bank The risk arises because of policy it might be impossible

the region's significant relito obtain finance for infraance on capital inflows drawn structure projects, which by higher interest rates. many Latin governments -The possibility for a reduction of external capital inflows are now relying on the private sector to build. The World Bank and the IADB are both in the near and medium term, brought on by the possibility of higher interest rates in indusforbidden from lending withtrialised countries, could have

a destabilising effect on the economies of the region," the bank says in its annual report. The prospects for further growth in the region are other-wise encouraging. Nonetheless, economic growth in Latin

America slowed from 3.2 per cent in 1991 to 2.6 per cent in Brazilian gross domestic product last year accounting for much of the slowdown

However, deteriorating trade pushed up the region's current account deficit to \$26.5bn (£18.6bn) last year from \$17bn in 1991, "While a current account deficit of this magnitude is probably not sustainable over the long term, it is mainly the product of the region's economic recovery and increased capital inflows.

Foreign exchange reserves

rose to cover six months of imports, with net transfers of were negative from 1982 to 1990, rising from a positive \$8bn in 1991 to \$27bn last year. The report emphasised the need for social reforms: "Eco-

nomic and social reforms are mutually reinforcing, ensuring

World machine tool production down 19% as recession bites

WORLDWIDE production of machine tools fell 19 per cent last year to \$34.6bm (£24bn), underlining the severity of the recession in virtually all the main markets for the metalworking machines on which manufacturing industry depends. Consumption fell 20 per cent from \$39.4bn to \$31.4bn in the 34 countries

covered by American Machinist in its annual survey of the industry. The declines are the worst in the 30 years since the US magazine started its sur-The declines are led by a staggering

fall of 31.8 per cent in Japanese consumption (36 per cent if measured in ren), while production has fallen from \$11.6bn to \$8.7bn. Domestic demand has fallen because

of excess capacity in the car and other

Japan retains its position as top pro-ducer and user of machine tools, but Germany has closed the gap in second ace. Even so, German consumption fell 16.8 per cent in dollar terms and is still falling this year.

The fallout from reunification, combined with high interest rates caused by heavy capital transfers to Germany's eastern states, is discouraging investment in machine tools in western Ger-

In the US, the world's third largest producing and consuming market, consumption fell 10.7 per cent but production was down only marginally from \$3.27bn to \$3.19bn. Several machine tool builders have

said recently that the US market is

picking up steam, and domestic orders rose 2 per cent last year. The few bright spots in the survey

China reported an increase of 20 per cent in production - from \$1.44bn to \$1.74bn - which took it from 10th to fifth place, while consumption rose 27

per cent to \$2.31bn. The rises, says the magazine, seem to be the result of growth of a market economy in the southern provinces close to Hong Kong. However, it notes Chinese production figures are reported in renminbl, the internal currency and therefore may be inflated in dollar

In Taiwan, domestic consumption rose 17.6 per cent to \$759.8m. But total production fell for the first time in livng memory, albeit very marginally, from \$992.2m to \$963.7m.

In contrast, both production and domestic consumption fell sharply last year in South Korea, where the machine tool market is in recession and producers' stocks have been rising.

Oil exporters study western energy taxes

OIL exporters are considering practical measures to counter US and European moves to impose energy taxes, including the possibility of an oil export tax, Gulf sources said yesterday, Reuter reports from Dubal.

Foreign ministers of the Gulf Co-operation Council (GCC) will consider the western taxes in a meeting on April 4. The taxes will also be high on the agenda of an April 13 meeting in Oman between Opec and non-Opec oil ministers, the sources said.

Analysts believe a co-ordinated response would be difficult to achieve and the GCC, composed of pro-western countries, does not want to trigger a trade war. "They are not in a position to take strong counter-measures that could escalate a trade war or confrontation with their major trading partners," said a Gulf Arab official source.

Argentina to sell state gas wells

THE Argentine government has decided to auction more gas wells belonging to the state-owned oil company YPF, before the company's privatisa-

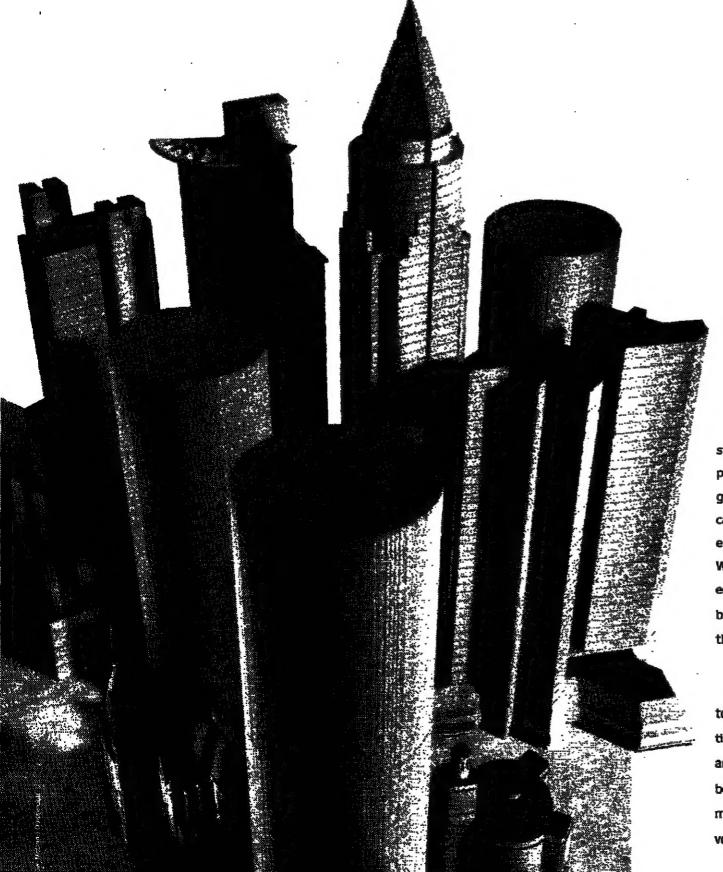
Argentine officials said the sale was in response to con-cerns that the company, which holds up to 80 per cent of the country's gas reserves, would be able to exploit its virtual monopoly position in gas once it was privatised. The aim would be to reduce its share of

gas reserves to 40 per cent. YPF is the oldest state oil company in the world and its valuation after a radical restructuring - now almost complete - has been put by the government at \$8bn (£5.6bn). Gas pipeline and distribution companies were privatised late last year..

rest of YPF as a single entity. An initial public offering to international and domestic investors is scheduled for the third quarter of this year.

The officials said the government was also studying mechanisms to make sure control of the company was in privatesector hands after the offering, even though the government would remain the largest though possibly a minority shareholder. Possible options included converting the government's remaining shares into non-voting stock, and limiting its representation on the

Crédit Suisse First Boston and Merrili Lynch are likely to be given the mandate to handle the offering.



Degussa on Solid Investments

Our exhaustive efforts yield healthier returns.

he days when smokestacks stood for industrial progress and economic growth are over. Today, we can no longer afford these environmental liabilities. We must now consider the ecological side of the balance sheet as well as the financial.

Degussa is working to satisfy both. Our expertise in precious metals and chemicals has been benefiting the environment, Degussa and investors.

For instance, we are now supplying the inter-

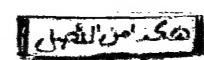
national automobile industry with catalytic converters from production facilities in 7 countries worldwide. In fact, technology and environmentally friendly products such as these represent a major commitment for our researchers. And because the demand for environmental protection shows no sign of abating. it's a commitment that is paying off.

As a result, Degussa's unrivalled expertise in precious metal recycling means our catalytic converters double their value,

Which is good news for anyone looking for a healthy investment.

or Degussa, it all began with gold and silver. Today we shine in many more fields.

SOWN TO EARTH SOLUTIONS Degussa



o sell

YPF as a single as itizi public offera; attended and design officials said the per to make sure come: migrary was in pies tumus after the dies hough the government reation the larger possibily a minus ... Irr Possible one of converting they 🔃 🧸 Fernaining 📥

graff Lynch are file in the inchdate to:

ms.

in cr. is good need une looking for a / investment.

we some in main

y Degussa. Ka with quild and 🕏

Yeltsin rides the Congress storms

THE Russian Congress of People's Deputies usually refuses to run to a simple script. It is an incheate body. made up of shifting factions and allegiances with many deputies lacking representative experience. But the key to the chbs and flows of resolutions, decisions and stalemates of this past weekend was in the fact that the deputies lacked the necessary votes to impeach the president, Mr Boris Yeltsin.

This was despite the fact that after an appearance before the microphones which fright-ened his supporters and delighted his opponents because of its incoherence, he lost that sliver of support which had deprived his foes of the majority they needed to put the issue on the agenda. To the end, he seemed able to disappoint them of the two-thirds

needed to impeach him.

The congress has registered great waves and troughs in the apparent strength of the opposing side. On Friday, the president kept firm to his insistence he hold a referendum of April 25 on trust. He felt strong enough to taunt the deputies to put the question of trust in themselves on the ballot paper. The voices from the floor were looking for compromise, fol-lowing the defection from the



Communist protesters size up police near Red Square in Moscow vesterday, amid tight security

imposchment camp of Mr Ruslan Khasbulatov, the parliamentary speaker.

Saturday morning marked the beginning of efforts to find a compromise. A resolution was put forward, allowing the referendum but adding three more questions to the president's original one. These were approval for election of president, for election of the

deputies and approval of the simple majority to discuss it results of economic reform, still did not exist. Nor was the which the president has consistently supported and which is assumed unpopular. The presi-dent's side let if be known this Though they had gathered in

resolution on a four-question referendum allowed. Later, a harder line resolution appeared proposing to suspend the president's sides who had persuaded him to appeal to the the expectation of discussing people on March 20, cancel his special powers, and dismiss his appointed provincial gover-

prime minister, gave heavily-qualified support for his presi-dent, in which he was careful to say that "without the presi-dent we will not be able to carry the heavy burden (of reforms]". But it was also a speech which suggested all

It made the point that a decree issued by Mr Yeltsin early last week dismissing the chief administrators of Novosibirsk and irkutsk had had to be revoked; and that early elections were inevitable. The most cheered speaker was Mr Aman Tuleev, head of the Kemerovo region, who branded Mr Yeltsin's aides as a "collective Rasputin". But pro-Yeltsin deputies took the floor to defend economic reform and

charge the Congress with unconstitutional behaviour.

Mr Yeltsin's appearance before the microphones most harmed him. With shurred dictional behaviour. tion and long pauses, he said there should be a week of talks between himself, Mr Khasbulatov and Mr Chernomyrdin to try to find consensus. Opponents said he was drunk; his supporters said he was overstrained; his staff that he was suffering from the effects of his

Vesterday morning another consensus appeared from behind the scenes. Said to have the support of the president, the speaker, the prime minister, the leaders of regions and republics and "several factions", this resolution scrapped the referendum in favour of November elections to a twotier parliament (which meant the scrapping of the present

Congress).

Mr Yeltsin said that were it to be supported, he would can-cel his decree calling for a pop-ular vote on April 25. There followed a dozen speakers, each of whom denounced the draft agreement: if any faction really had put their name to it overnight, none admitted it in the hall. It went down with a mere 134 votes in favour.

A feature of the rhetoric on this issue was an increase in the calls for the resignation of the Speaker. The proposal to vote on the impeachment of the president was finally put on the agenda, with 594 deputies voting for its inclusion Slightly more deputies (614) voted to hallot on a no-confidence motion on Mr Khasbulatov. Mr Yeltsin's vote required two-thirds of the total, that is, 689 out of 1,033: Mr

LDP godfather faces more tax evasion charges

JAPANESE prosecutors have filed further tax evasion charges against Mr Shin Kanemaru, the fallen "godfather" of the ruling Liberal Democratic party, and are continuing illegal political donations by leading construction compa-

Having already been charged with evading Y119m (\$983,400) in tax for 1987, Mr Kanemaru was charged at the weekend with having evaded Y920m in taxes for 1988 and 1989. His former secretary, Mr Masahisa Haibara, was charged with evading taxes totalling Y280m

from 1988 to 1991. Mr Kanemaru has been in custody since March 6, in contrast to his previously lenient

treatment from prosecutors. It remains unclear how tough the prosecutors will be in pursuing Japanese construction companies, but 18 leading contractors have been raided in the search for information about political donations. Mr Kanemaru is also not the only Japanese politician allegedly to have received generous fund-ing from the construction industry, raising the prospect that other leading LDP officials

will be spotlighted. However, the prosecutors, who have leaked many of their findings to Japanese newspa-pers, may see the publicity as warning enough to the industry and to politicians.

investigating whether charges of bribery can be sustained against a list of politicians who allegedly received funds from contractors. Construction industry representatives deny they have been a party to brib-ery, but have conceded that the system of political donations should be made more

transparent.
The Fair Trade Commission. the anti-monopoly body, is also under public pressure to ensure there is no bid-rigging

for public works projects.

Tokyo's District Court is due to rule today on a petition for Mr Kanemaru's release from custody. If found guilty in a case which may take many years to settle, he will liable to pay Y2.14bn in penalties and back taxes.

G7's reluctant convert to Russia's cause

HEN a mainstream Japanese magazine "Yeltain, Starve to Death!", the harsh headline reflected a frustration distilled during a century of unease between the two countries and made more potent by international demands that Tokyo assist the

"unreliable Russians" Through gritted teeth, Japan has invited Mr Yelisin to the Tokyo summit of the Group of Seven nations, but there is a deep anguish that the country must be pleasant to Russia without the prospect of much in return. Also, there is sunoyance that most G7 members are blind to the Japanese

vision of history. Other G7 countries may have Robert baunting visions of the col-lapse of Russian democracy or of bloody civil war, but Japan dwells more on the past than the future. The preoccupation with settling old debts will colour the country's response in the coming months as the host-nation of the G7 summit in July, and play a sometimes difficult-to-perceive role in the

international debate on Russia. Given an uncompromised choice, Japan would not rush to provide assistance to Russia. But, wanting to avoid an embarrassing diplomatic isolation, the government has promised funds, and Mr Michio Watanabe, the blunt but revealing foreign minister, retreated from his assessmen that "it is wrong to give top priority to economic assistance"

Japan has promised \$2.8bn (£1.97hn), more than half of which is trade insurance; so far a third of the total has been disbursed. History aside, Japan has genuine misgivings about pouring funds into Russia when there is no guarantee that they will be used profitably. The government has also agreed to host a meeting of G7 foreign and finance ministers in mid-April, an event that will itself increase the pressure on-

Tokyo to give generously. Having once described the Russian leader as "dishonest", Mr Watanabe is a good case study of the conflicting emotions working away inside Jap-anese officials. Policy on Russia is handled almost solely by the Foreign Ministry, in contrast to, say, China policy, which is influenced by vested economic interests and the per-

sonal interests of powerful pol-

While officials in Tokyo admit that China suffered terribly at the bands of the invading Japanese army, they are adamant that Russia was an unprincipled aggressor at the end of the Pacific war. The obvious symbol of this continuing "injustice" is the disputed Kurile Islands group, known here as the Northern Territo-ries, and occupied by Soviet

troops at the end of the war. Mr Michio Royama, professo of international politics at Sophia University, explained that "historically, we don't have a friendly feeling towards

Japanese misgivings about aid

Russia," and that there is "strong anti-Russian faction in the Foreign Ministry" which is distorting the Japanese reaction to the changes in that

"In the case of most countries, there are, you might say, 'pro' factions and 'anti' fac-tions, as in the case of the US. This is not so with Russia," Professor Royama said. "There were a lot of frictions before World War Two, but people have forgotten what we did to Russia. Also, Russia has lost its power. It is not of value for

The rapid collapse of Russian power has exposed a long-hid-den contempt in Tokyo, once intimidated by the Kremlin's claimed "moral authority" of communism and in awe of Soviet military prowess. Com-munism has lost that power to intimidate as an ideology, and Russia was revealed to be a decaying society.

Japan would prefer that other countries shared their suspicions. Professor Tadae Takubo of Kyorin University suggested that what Europeans see as a disaster, the dumping of Yeltsin, would serve Japan's interests: The most desirable outcome in Russia for Japan is that Yeltsin is defeated before the summit: Europeans would then lose a reason for support

e dividend of 0,187 USD per state for PACIFIC RBM SUB-FUN a dividend of 0,220 GBP per state for UNITED RBMGDOMA SU a dividend of 0,200 USD per state of UNITED STATES SUB-P

ABBEY NATIONAL Treasury Services pic

GB£120,000,000 Subordinated Floating Rate Notes due 1995 Notice is hereby given that for the Interest Period from 29th March, 1993 29th Jane, 1993, the Note will carry a Rate of Interest of 6.7125% per



In the world of ISDN, NTT research is showing the way.

In 1992, NTT completed the infrastructure that now makes ISDN services available to over 90% of Japan's population. To enhance those services, comprehensive VI&P (visual, intelligent and personal) communications experiments are underway at our Yokosuka and Musashino R&D centers, where research efforts are now focused on use of Broadband Integrated Services Digital Networks (B-ISDN). Among our recent accomplishments, one outstanding example is the world's first 10-gigabit high-speed optical transmission system, an experimental network of optical fiber cables stretching over 1,260 kilometers. Another breakthrough is an ultra 300-gigabit-throughput ATM node system.

By the 21st century, our B-ISDN networks will link households and firms throughout Japan. Our telephones will be terminals equipped for high-quality, high-capacity digital access to networks around the world. These advanced terminals will make access to all forms of information as simple as calling a friend. And because we're cooperating with other telephone service providers around the world to create these networks, the friend our customers call could be you.

For further information, please write to R&D Information & Patent Center, NTT Yamato-Seimei Bldg., 10F 1-7, Uchisalwaicho 1-chome Chiyoda-ku, Tokyo 100, Japan

NTT researcher, architect of information and telecommunication networks for the advanced information society. Vice Chairman of Technical Active Board on Information Networks in the Institute of Electronics, Information and Communication Engineers.

US defence decisions hinge on spending review

THE Clinton administration has postponed all big decisions on military force structure and defence equipment programmes until it has completed a "bottom-up review of defence needs and programmes".

Although the \$263.4bn (£185bn) defence budget for the 1994 fiscal year, presented at the weekend, cuts two Army divisions, two Navy aircraft carriers and the equivalent of nearly three Air Force fighter wings, Mr Les Aspin, US defence, secretary, said he had only been able to make amendments to the budget bequeathed him by the out-

get, the bulk of which has been written by the previous administration. We are essentially able to add and subtract from that defence budget but not really shape it from the ground up," he said.

The budget projects defence spending dropping steadily to \$246bn in 1997, before rising again to \$253.9bn in 1998.

The budget resolves none of the outstanding questions over costly and controversial equipment programmes such as the C-17 transport aircraft, the V-22 Osprey tilt-rotor aircraft, or the Seawolf submarine. Procurement costs will be cut by

but this is largely because no new B-2 bombers will be bought, and only three DD5-51 destroyers, decisions already made under the Bush administration.

Congressional critics have complained that the Pentagon will not be able to afford all its major programmes within the framework of President Bill Clinton's promise to cut deeply into defence spending, but funding is essentially preserved for all large procurement pronmes, pending the outcome of

Indeed, Mr Aspin has written back into the budget 24 new F-16 fighters that the Air Force said it

production line open until decisions have been made on future tactical aircraft for the Navy and the Air

This is a cautious budget on the eapons side. We are maintaining a lot of options," Mr Aspin said.

One weapons area where decisions have been made is the Strategic Defence Initiative, often known as Star Wars. While the new budget funds missile defence development at the same level of \$3.8bm as last year, money is shifted to short-range tactical defence systems

such as the Patriot, and away from defences against ballistic missiles. The new administration has, nevertheless, made sharp cuts in per-

its targets for spending cuts. Active forces will be cut by 108,000 to 62m, with reserves dropping 60,000 to 1.02m and the Pentagon's civilian workforce falling by 45,000 to

919,000. Combined with a governmentwide pay freeze, this will cut military personnel costs by 9 per cent in inflation-adjusted terms to \$70.1hn

Mr Aspin claimed that his predecessors, when faced with making budget savings, tended to make horizontal cuts, keeping the same number of divisions, carrier battle groups or tactical air wings, but reducing the number of men in

sonnel and force structure to meet each unit, with the aim of filling them out when war came.

"I am not sure it was the right strategy in those days, in retrospect, but it is certainly not the right strategy now when the force structure is really more than we need for the kinds of threats that we are facing now," Mr Aspin said. Pending the outcome of his

review, Mr Aspin's interim force structure will cut the Army from 14 to 12 active divisions. The Navy will fall from 443 ships to 413, dropping to 12 aircraft carriers with the decommissioning of the Saratoga and the Forrestal. The Air Force will drop from 16.1 active fighter wing equivalents to 13.3, with oneand-a-half wings eliminated in Europe and one in the US, as well as an additional wing from the air

At the same time, Mr Aspin promised to preserve budgets for training and operations to ensure that US forces remained at a high degree of

readiness. One new initiative is a specific \$300m allocation for peacekeeping exercises, which the US has previously paid for out of its regular

operations accounts. Mr Aspin acknowledged, however, that the allocation was likely to be too small, noting that the US deployment in Somalia was expected to cost \$700m.

Growth in world trade speeds up after 3 years

WORLD trade growth exporter, lifting sales by 6 per accelerated in 1992 after three cent to \$447bn. Behind it, Geryears of slowdown, according to figures published today by the General Agreement on Tariffs and Trade. The main stimulus came from North America

Gatt forecasts in its annual world trade report that trade growth in 1993 will "at least equal" 1992, but warns that much of the risk is on the downside". Noting that trade grew more slowly during the second half of 1992 as western trade report Europe and Japan fell into recession, it said the acceleration needed to better 1992 "may be difficult to achieve"

The value of world trade grew by 5.5 per cent to \$3,700bn (£2,605bn), compared with growth of 1.5 per cent in 1991. The volume rose by 4.5 per cent, reversing a period of steady slowing since 1988, when growth fell from more than 8 per cent to 3.5 per cent

The US maintained its posi-

THE countries of central and

eastern Europe, excluding the

former Soviet Union, expanded

trade with the west last year

ning their transition to market

While ground-breaking mar-

ket access agreements signed

in March last year were cred-

ited with part of the turn-

around, Gatt noted that west-

ern European countries

boosted their sales to the east

Meanwhile, Russia's trade

continued to tumble. Exports

to the west in 1992 amounted

to just \$27.6bn (£19.4bn) -

down 25 per cent from \$36.8bn

in 1991. Imports fell similarly,

for the first time since begin-

economies. Gatt said.

even more strongly.

many boosted exports by 6.5 per cent to \$425bn. Strongest gains came from China and Hong Kong, where exports rose

David Dodwell looks at Gatt's annual world

by 18.2 per cent and 20 per cent respectively. Taken together. they would overtake the UK to be the fifth biggest exporter.

The US remained by far the

leading importer, with a rise of 8.6 per cent to \$552bn; Germany was a distant second with \$406bn. A 1.8 per cent fall by Japan to \$233bn resulted in France overtaking it as the third largest importer. It bought merchandise worth \$240bn, up 3.4 per cent from \$232bn in 1991.

Russia falls from ranks of

This trade disruption pulled

Russia out of the world's top 25

traders, despite its dominant

position in the trade of the

USSR which ranked in the top

20 exporters in 1991. "To put

this in perspective, Russia

exported less than Norway,

The value of exports from

the region as a whole fell 10

per cent to \$35bn (after a 25 per

cent fall in 1991). But this was

entirely due to a 25 per cent fall in exports from the Com-

monwealth of Independent

States (CIS) to \$35bm. In con-

trast, exports from the central

and eastern European states of

Bulgaria, Hungary, Poland,

world's top 25 traders

gal," Gatt said.

came in Latin America, up 18.5 per cent to \$170hn. Mexico became the 17th biggest importer, with a rise of 23.5 per cent from \$66bn to \$82bn. Argentina, Chile and Venezuela also saw strong surges.

At a time when "trade has been a source of relative strength in an otherwise ronment", Gatt calls for mar-kets to be kept open, and for fresh efforts to conclude the Uruguay Round of talks on

The report shows trade in services growing from \$890bn to \$960bm last year, a rise of 8

At the same time, the economies of central and eastern Europe began to show the first signs of export recovery since their painful transitions to market economies. While exports slipped by 10 per cent from a 25 per cent slump in

Romania and the Czech and

Slovak Republics, when taken

alone, rose by 10 per cent to

\$48bn. This was a rebound from a 14 per cent fall between

1990 and 1991 which swept

strongly with the region, Pur-

ern Europe rose by 20 per cent

between 1991 and 1992. Exports

from the Czech and Slovak

republics leapt 63 per cent

from \$6bn to \$9.8bn, while

exports from Romania jumped

Main gains came in food

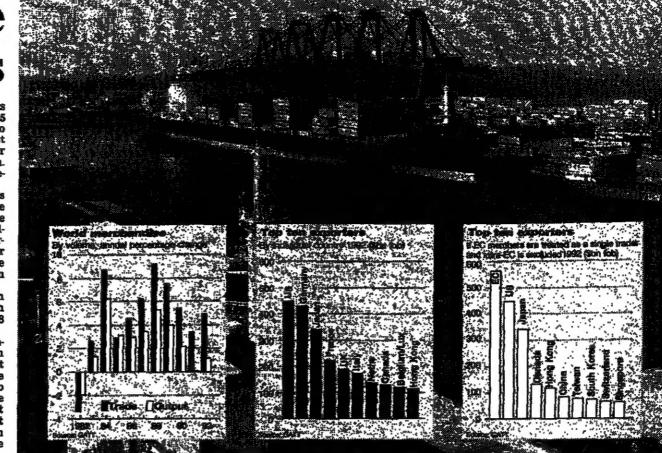
products, steel and clothing, all

products which are quota limited by last year's "Europe

43 per cent to \$2.8bn.

Western Europe's trade grew

exports down to \$43.6bn.



makes EC top exporter

THE completion of Europe's single market in January this year has had a radical impact on world trade, at least from a statistical point of view.

Not only does the European Community leap to first place as the world's leading exporter - far outstripping the US, with exports of \$565bn (£397.8bn) -\$3,700bn to \$2,800bn, as sales between EC member states become domestic trade.

The disappearance of EC exporters such as Germany and France from the rankings of top traders also brings five Asian countries into the top 10 for the first time: Hong Kong is fifth followed by China, Taiwan and Korea. Singapore

Single market Top trading nations suffer current account imbalances

THE CURRENT account imbalances of four of the world's five leading trading powers widened in 1992, Gatt

When trade in both goods and services is taken into account, France was alone among the top five traders in its current account.

Japan's current account surplus widened from \$73bn to a record \$118bn (£79.1bn) as recession cut imports. In contrast, the US current

account deficit leaped from a negligible \$4bn in 1991 to \$62bn as economic recovery sucked in imports. Germany's current account deficit rose from \$20bn to import growth, as recession began to bite in the second half of 1992. This was because of a nigher deficit in trade in commercial services, and a falling surplus on investment

in the UK, beginnings of ecoimport surge boosting the current account deficit from \$11.4bn in 1991 to \$21bn last

Criticising the "popular press", and implicitly the US administration, for focusing political attention on widening merchandise trade gaps, Gatt said "this is clearly inappropriate because trade in services is an important and growing part

of countries' trade." Despite the numerical widening of imbalances. Gatt noted that growth in these economies through the 1980s had meant that the current account deficits were smaller relative to GDP "than in most other years

since the early 1980s". was lower last year in relation to the size of its economy than between 1985 and 1987.

Germany and the UK show the most worrisome trends, the UK slipping from a position in 1982 where it had the highest current account surplus of all five traders in terms of GDP to a position last year where it had the highest deficit, at 2 per

cent of GDP.

Kantor may drop dumping inquiry

Gas engil

companie

lose 30.00

By Nancy Dunne

MR Mickey Kantor, US Trade Representative, may withdraw a request by his Republican predecessor that the US International Trade Commission perform an in-depth study on the impact of US dumping and subsidy rulings.

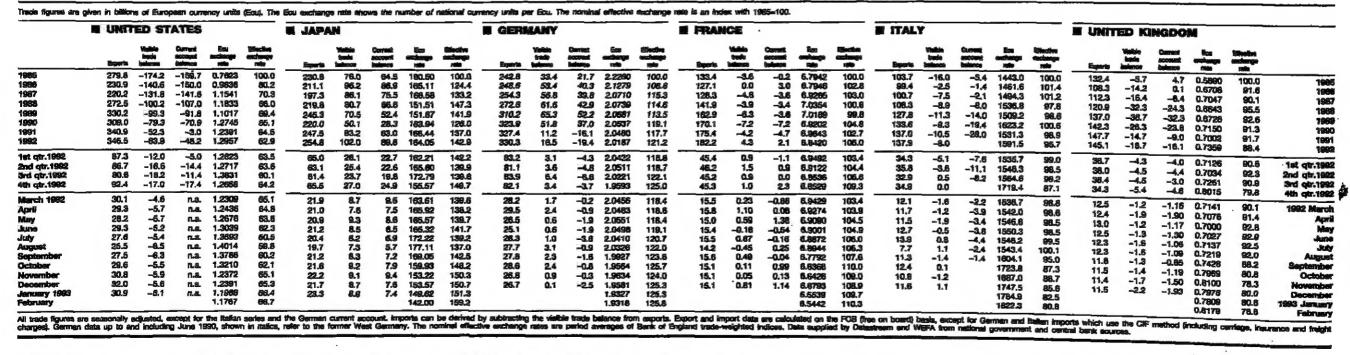
Republican members of the House Ways and Means Committee, meanwhile, have pre-pared for the possibility that the request will be withdrawn, by pushing for Congressional action which would allow the non-partisan ITC to proceed with the study. They have asked for a preliminary report

In a letter to Mr Dan Rostenkowski, chairman of the House Ways and Means sub-committee, Congressmen Bill Archer and Phil Crane say the study is needed to evaluate proposed changes in US trade laws resulting from an end to the Uruguay Round. Generally, the requests of the minority are honoured as a Congressional

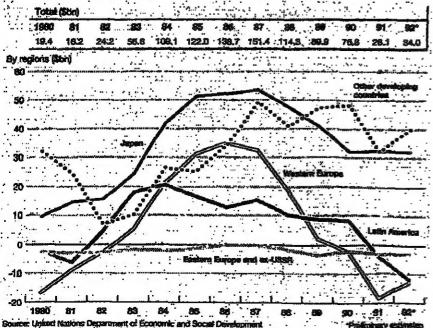
courtesy.
The Washington trade community has been stirred up since it became public that Mrs Carla Hills, former US Trade Representative, had proposed the dumping study five days before her departure from office. Only the US Trade Representative, the Senate Finance Committee and the House Ways and Means committee can request ITC studies.

The "fair trade" regime is ton lawyers who defend foreign companies are convinced its procedures are intrinsically biased towards American com panies and sometimes, politicised. Those who generally defend domestic companies see the laws as the only legitimate weapon against predatory imports. Mr Kantor sees the fair trade laws as a necessity. Trade apostle: see feature

INTERNATIONAL ECONOMIC INDICATORS: BALANCE OF PAYMENTS



US lectures on economic co-operation ring hollow



US President Bill Clinton, nearly two thirds of the way through the first hundred days of his administration, has good is making good progress through Congress, relations with the Federal Reserve appear cordial, long-term interest rates have fallen and the US economy is conveniently accelerating. In short, the domestic conomic agenda looks under control.

His only disappointment is the tardy pace at which the rest of the world is falling into line. Russian president Boris Yeitsin can hardly be blamed for his current plight, and the US, like the rest of the world, has little option but to mouth support and wait with crossed fingers. But other countries that do control their domestic policy agendas, notably Germany and Japan, appear less willing to follow the world leader's example.

Undeterred, the Clinton administration has quickly adopted the standard US presidential practice of lecturing other countries on how to manage their affairs, with the US Treasury taking the lead on the lecture circuit. Germany, the G7 finance ministers were told, should cut its interest rates more rapidly in order to kick-start European demand (for US exports). Japan, senior Treasury officials publicly imply, should be using fiscal policy in a more aggressively expansionary way to stimulate Japanese demand (for US exports). Would-be recipients of aid and debt relief should liberalise their economies and open their markets (to US exports).

Yet, while it is easy to see why the world's only superpower speaks its mind. it is less obvious that it has the moral right to do so. While lecturing other countries about their responsibilities, the world's richest nation continues to benefit from a huge net resource flow from the developed and developing world alike. At its peak in 1987, the net resource transfer to the US was \$151.4bn (£106.6bn), of which over \$70bn came from developing countries, equivalent to 2 per cent of developing country GDP. The cumulative flow since 1980 is a little over \$880bn

The US might bridle at these statistics.

US current account deficit minus net interest, profits and dividends) is, after all, the product of millions of individual, private and voluntary decisions. Yet the US, by virtue of its size and economic power, can alter the incentives that private individuals face. Hence, the rise of the US fiscal deficit in the 1980s was, in part, responsible for the rise in world interest rates and the flood of capital into the US.

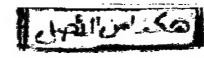
This sharp rise in real interest rates encouraged US commercial banks to liquidate their third world lending to take advantage of the higher domestic returns, thus bringing on the debt crisis. Not that the US can take all the blame. While profligate US fiscal policy sucked resources in, mistaken domestic policies in many developing countries also drove resources towards the US. This was particularly true of Latin America and Africa for whom the stock of flight capital is estimated at a third to two thirds of annual GDP.

For all its good intentions, the Clinton

The net resource flow (equivalent to the scarce resources towards the world's richest country. Its budget plans envis budget deficit of over 3 per cent of GDP by 1998 while the combination of a nascent recovery and persistently low US national savings will expand the current account deficit over the next year.

It is the regional profile of America's capital donors, not the demand placed on them, that appears to be altering. Budget deficit-burdened Europe is now importing capital from the US, while eastern Europe is drawing on US savings. Meanwhile, economic reform and debt relief in Latin America has made the region a magnet for portfolio investment, capturing almost all of the 135 per cent (\$4.7bm) increase in annual equity flows to developing counties over the past three years. This leaves an extraordinary alliance of Japan, east Asia and debt-burdened Africa to finance the world's largest, and least progressive, economic assistance programme.

Edward Balis



ber by the Industrial Injuries

Advisory Committee.
Industry Disablement benefit

will be available to those suf-

ferers who have worked more

than 20 years underground.

The department is expect about 80,000 applications.

Possible Tory coal rebels are to meet this morning to dis-cuss tactics. The most vocifer-

ous yesterday, Mr Winston

Churchill, said he was "looking for very specific assurances by

the chairman of British Coal

Mrs Elizabeth Peacock,

another Tory MP, said mea-

sures in last week's coal policy document did not meet her concerns over the "dash for

gas," electricity imports from France, opencast mining, and orimulation imports.

Mr William Cash, MP for Stafford, said the debate on the industry had been rushed. "No

doubt part of the reason is so

that people could not focus on it properly."

Heseltine fails to win over Tory rebels Power generators start to sign new contracts worth £5.5bn

intense negotiations, will

secure a long term future for the 19 pits which British Coal

regards as its best. The future, however, of another 19 pits

which will stay open or be

mothballed following last week's policy document will be determined by talks in the next few weeks between Brit-

ish Coal and the generators.

In a move deliberately timed

to help the vote, Mr Peter Lil-

ley, social security secretary,

Government faces fresh split over coal

The electricity and coal

industries yesterday cleared the way for negotiations

aimed at saving threatened pits when they started signing

contracts worth £5.5bn over

The deals, concluded just

three days before existing three-year contracts expire-

and after nearly a year of

ernment was last night confident of winning the vote.

Defeat would require 11

five years to British Coal.

is of the minorage

ed to a Congression

ae time. Mr Aspin pro-rive budgets for training ons to ensure that it itsed at a high depress acknowledged, be
the allocation was fine
axil, noting that the fine
in Somalia was ear.

intor

ckey Kantor, us had entative, may with the set by his Republic assor that the US he was a read a Commission of the control of the set of the se al Trade Commission on an in-depth state thuir man of the ha

Wishington trade g Nas been sdmei: became public that Sillis, former US Te entative, had prope niping study fire a ther departure for yers who detend inc takards Americans

s as the only legues Mr Kamor seil d- (3% , ≥5 3 **2002)*** postle, see feature

low ideal stans emission of per cent of the evently low US mile to year of and

companies 'could lose 30,000 jobs' sold off, Mr Culi said. Ofgas, the industry regulator, has pro-posed British Gas should earn GAS ENGINEERING companies could see the loss of 30,000 a return of between 2 per cent jobs by the end of the year and 4.5 per cent on its pipebecause of uncertainty hanging over the sector, a senior industry executive warned yes-

and Michael Smith

facing the threat of an internal

split over the coal industry after ministers failed at the

weekend to calm fears that 12

mines granted an apparent reprieve last week could still

Reluctant to admit that the

ruling Conservative party was

still struggling to win support for its policy on the future of UK-mined coal, Mr Michael

Heseltine, trade and industry

secretary, said "dramatic

opportunities" had been given

to the industry via government

Gas engineering

Mr John Cull, managing director of Amec Utilities, said more than 200 engineering and service companies which produce pipes, valves, meters and other infrastructure have shed more than 10,000 jobs between them since British Gas began cutting back on spending ear-

British Gas has cut its £300m annual investment programme by 20 per cent because of uncertainty over an inquiry into its business by the Monopolies and Mergers Commission, said Mr Cull, who is also president of the Society of British Gas Industries. The society represents about

90 per cent of the engineering and service companies supply ing British Gas. The MMC inquiry should set a rate of return for British

decide whether it should be

lines. But the company says this is too low to cover further infrastructure investment. Mr-Cuil said manufacturing throughput among the society's members has declined by 60 per cent compared with the same time last year. He

A mint from British Coal

executives that further pit clo-sures were inevitable around

April next year was, "one hypothetical doom-laden sce-nario," Mr Heseltine argued on

BBC television. But he admited

he could not "sign up in blood"

business managers are braced

for at least two Conservative

MPs to vote against the gov-ernment and for another six or

more to abstaln. A trade union

lobby of Parliament will

increase the pressure on wavering Tories but the gov-

In parliament, government

to pits remaining open.

believes British Gas is running down its stocks of pipes and not ordering new ones. "These companies are well-managed, but they're suffering because of the battle between British Gas and Ofgas," he

Mr Cull has met Mr Tim Eggar, the energy minister, to express his fears about the industry. But Mr Eggar said the matter remains in the hands of the Monopolies and Mergers Commission. The commission's report is due out by the end of April, but Mr Cull fears the government will not take decisive action until close to the end of the year. By that time, service companies which rely on British Gas will be fac-



the Anglo-French Channel tunnel have been delivered to Folkestone, site of the rail terminal at the UK entrance to the under-sea rail link. It is expected that

8.5m tonnes of freight will be carried during the first year of operation. By the time freight operations begin in December there are expected to be more than 200 of the Italian-made shuttle wag-

the tunnel. Each shuttle will comprise 28 wagons; each wagon will carry one large truck with a gross weight of up to 44 **Britain** in brief

Supermarkets

accused of profiteering

The opposition Labour party has asked the Office of Fair Trading for an investigation into alleged "profiteering" by UK supermarket chains. Labour's consumer affairs

spokesman, Mr Nigel Griffiths, has written to Sir Bryan Cars-berg, the Director General of Fair Trading, claiming that statistics show supermarket profits have risen by 422 per cent in the past 10 years while producer prices have risen only 18 per cent.

Comparing UK margins with those in France, Mr Griffiths claimed Carrefour, France's largest supermarket group, increased its profits by 76 per cent over the same period. Gross margins for French supermarkets are around 18 per cent. compared with 23 per cent for UK market leaders, he

Concern at mail train robbery

British Transport Police fear a gang that robbed a mail train at one of London's main rail hubs may flood the black market with vehicle tax discs and postal orders worth hundreds of thousands of pounds.

Two postal workers were assaulted and other staff threatened at gun point during the Friday-night raid at Euston station, police said. Documents used as Post Office counter supplies were stolen. British Rail has offered a £10,000 reward for information leading to the arrest and conviction of the robbers.

Jobless growth set to slow

The rate of increase in UK unemployment will continue to fall, with the smallest increases over the next year

to an economist at one of Britain's clearing banks. Mr David Kern, chief economist at National Westminster Bank, says that the number of UK jobless is expected to rise by a further 300,000 to 3.275m in March 1994. However, he says there is now evidence of a distinct slowdown in the rate of increase which will con-tinue throughout the year.

Management pay rises 4.4%

Managers' basic pay rose by 4.4 per cent over the 12 months to February, according to a survey of more than 1,000 companies carried out by the pay research group, Reward.

The rate of pay increases for managers fell in the second part of the year - six months ago pay was rising at an annual rate of more than 5.5 per cent, the group found.

Competition urged for gas

The Monopolies and Mergers Commission is considering a strong call from British Gas's competitors for the liberalisation of the household gas sup-ply market in its review of the industry. But this is countered by consumer groups and some North Sea oil producers which urge caution in changing the present situation.

In a Financial Times survey of evidence submitted to the commission - which is due to present its report to Mr Michael Heseltine, trade and industry secretary, on April 30 - all of British Gas's main competitors say they want to enter household sales.

Restrictions on tribunals

Industrial tribunals are to be given the power to restrict press reporting of sexual harassment cases, following a late government amendment to the employment bill. The amendment, due to be pro-posed today, is certain to be accepted. It will prevent either alleged victims or alleged harassers from being identified while a case is being heard. The measure could also be extended to protecting wit-

FOR REGULAR EXPORT FINANCE COVERAGE.

IXITEDXIATIOXIAI

International Trade Finance is the essential reference source for the busy executive. Published by Financial Times Newsletters, it provides both timely reporting and authoritative analysis for the discerning

REGULAR COVERAGE

ITF is designed so that information is readily. accessible, providing you with the latest or Credit Insurance Project Finance Aid Finance • Forfaiting Countertrade & Offset PHONE-IN INFORMATION SE A special phone-in informs for subscribers, supplying immediately to had The most up-t information is, thus, elejusively availa subscribers the moment it is r For further information and a copy, please contact Roland Earl on Tel:

FINANCIAL TIMES

4414 or Fax: 071-411 4415.

NEWSLETTERS 126 JERMYN STREET **LONDON SWIY 4UJ** TEL: 071-411 4414 FAX: 071-411 4415 Notice of Early Redemption

THE BOC GROUP

THE BOC GROUP plc

(incorporated in England under the Companies Acts 1862 to 1883)

US\$ 100.000.000

8 1/4 % Bonds due 1996 (Common Code 1064703)

on 14th May 1993 (the "Redemption Date") at a price of 101 1/2% of their principal amount (the

Notice is hereby given in accordance with Condition 4(c) of the Terms and Conditions of the above Bonds (the "Bonds") that The BOC Group pic (the "Issuer") will redeem all the Bonds still outstanding

"Redemption Amount") plus accrued interest to the Redemption Data.

Payment of the Redemption Amount, together with accrosed interest to the Redemption Date, will be made on or after the Redemption Date against presentation and surrender of the Bonds at the offices of any of the Paying Agents listed below. Bonds should be presented for payment together with all unmatured Coupons (the "Coupons"), failing which the face value of any missing unmatured Coupon will be deducted from the sum due for payment. Any amount of principal so deducted will be paid against surrender of the relative missing Coupons within 6 years from the date mentioned on the face of the Coupon or, if longer, 12 years from the relevant date for the payment of such principal, in accordance with the Terms and Conditions of the Bonds. Interest will cease to accrue on the Bonds on the Redemption Date.

> PRINCIPAL PAYING AGENT Swiss Bank Corporation

Aeschenvorstadt 1 4002 Basel

PAYING AGENTS Swiss Bank Corporation Swiss Bank House 1 High Timber Street

Swiss Bank Corporation (Canada) 207 Queen's Quay West Suite 780 Toronto, Ontario Canada M5J 1A7

Banque Internationale à Luxembourg S.A. 2 Boulevard Royal Luxembourg,

Swiss Bank Corporation, Zurich For and on behalf of The BOC Group pic Merch 29, 1993

London EC4V 3SB

England

LET'S **GET IT** RIGHT

If you have a complaint about an item in this newspaper which concerns inaccuracy, intrusion, harassment or discrimination, write to the editor about it.

If you're still dissatisfied you can write to the Press Complaints Commission, an independent organisation established to uphold an editorial Code of Practice for the Press.

THIS NEWSPAPER ABIDES BY THE PCC'S DECISIONS

PC I SALISBURY SQUARE LONDON ECAY SAE Telephone 071 353 1248 Facsimile 071 353 8355

Slough Estates plc

Notice of Redemption to the holders of the outstanding £150,000,000 6 per cent. Convertible Bonds Due 2003 ("the Bonds")

Notice of Adjustment of Conversion Price to take effect following the proposed rights issue of new ordinary shares announced on 25th March 1993

Redemption Date: 20th May 1993 Conversion right expires at midnight on 12th May 1993

NOTICE IS HERBBY GIVEN that Slough Estates pic ("the Company") has elected, pursuant to Condition 10(b)(ii) of the Bonds, to redeem all of the outstanding Bonds (except to the extent that the Bonds are converted before the due date for redemption) on 20th May 1993 ("the Redemption Date") at £120.84 per cent. ("the Redemption Value"), being the principal amount of the outstanding Bonds together with must interest interests.

together with supplementary interest. On the Redemption Date the Redemption Value will become due and payable on all the Bonds.

On the Redemption Date the Redemption Value will become due and payable on all the Bonds. In the case of the Bonds which are in registered form ("Registered Bonds"), payment of the Redemption Value will be made on the Redemption Date (or, if later, upon presentation and surrender to the Registrars, National Westminster Bank Plc, P.O. Box 82, Caxton House, Redeliffe Way, Bristol BS99 7NH of the relevant Registered Bonds) to the persons shown at the close of business on 20th April 1993 as being the registered Bonds of such Registered Bonds. Payments will be made in pounds sterling by cheque drawn on a town clearing branch of a bank in the City of London and mailed (at the risk and, if mailed at the request of the holder otherwise than by ordinary mail, the expense of the holder) to the holder or to the first named of joint holders of such Registered Bonds at his registered address or in accordance with mandate instructions acceptable to the Registeres. All payments in respect of Registered Bonds will be made in each case subject to any fiscal or other local law and regulations, and otherwise in accordance with the Terms and Conditions of the Bonds.

In the case of the holders of the Bonds in bearer form ("Bearer Bonds"), payment of the Redemption Value will be made pursuant to Condition 8 of the Bonds against surrender at the office of one of the Paying and Conversion Agents specified below of the Bonds or Optioned Bond Receipts together with all interest coupons appertaining to them ("the Coupons") maturing after the Redemption Date.

If any Bearer Bond surrendered for redemption is not accompanied by all relative unmatured Coupon the face value of any missing unmatured Coupon will be deducted from the amount due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon not later than ten years from the date on which the Coupon would have become due. All Bonds and Coupons will become void unless they are presented for payment within ten years and five years respectively from the Relevant Date (as defined in Condition 11 of the Bonds) at the offices of one of the Paying and Conversion Agents specified below.

The holder of any Bond has the right, subject to any applicable fiscal or other laws or regulations, at any time up to midnight on 12th May 1993 but in no event thereafter to convert such Bond into fully paid registered ordinary shares of 25p each in the Company ("ordinary shares"). The current conversion price is 318p. This compares with a middle market price, as shown by the Daily Official List of the London Stock Exchange on 25th March 1993, of 192.5p per ordinary share. The number of ordinary shares to be issued on conversion is determined by dividing the principal amount of the relevant Bond(s) by the conversion price.

Rights Issue and Adjustment to Conversion Price

On 25th March 1993 the Company announced a rights issue of new ordinary shares ("the Rights Issue") to holders of ordinary shares and to holders of cumulative redeemable convertible preference shares of 25p each in the capital of the Company ("Convertible Preference shares") on the register at the close of business on 25th March 1993 ("the Record Date"). Holders of Bonds who exercise their conversion rights after 25th March 1993 will not be entitled to participate in the Rights Issue but the conversion price will be adjusted in accordance with the terms of the Bonds to take account of the Rights Issue. Accordingly, and subject to the Rights Issue proceeding. NOTICE IS HEREBY FURTHER GIVEN THAT on 13th April 1993, the date the Company expects to make the provisional allotment of new ordinary shares pursuant to the Rights Issue, the conversion price applicable to the Bonds will be adjusted as a result of the issue of new ordinary shares pursuant to the Rights Issue from 318p to 298p in respect of conversions which take place on or after that date. In respect of conversions which take place after 25th March 1993 but before 13th April 1993, the Company will (i) issue the appropriate number of ordinary shares arising on conversion at the conversion price of 318p, and (ii) on or within 21 days of each such conversion issue such additional number of ordinary shares as would have been required to be issued if the adjustment referred to above had already taken place.

A copy of the Circular in connection with the Rights Issue, which comprises listing particulars relating to the Company in accordance with the listing rules made under Section 142 of the Financial Services Act. 1986, may be obtained on application from the Principal Paying and Conversion Agent specified below.

Principal Paying and Conversion Agent S.G. Warburg & Co. Limited Paying Agency 6th Floor 1 Finsbury Avenue London EC2M 2PA

Other Paying and Conversion Agents Kredietbank S.A. Luxembourgeoise 43 Boulevard Royal L-2955 Luxembourg

Swiss Bank Corporation Aeschenvorstadt I CH-4002 Basie

Markets face surfeit of news from France, Germany and the US

THIS week promises to be unusually busy for the time of

Financial markets will be keenly anticipating clarification of the new French government's policies as well as its membership following yesterday's second round of the National Assembly elections.

in the US, a raft of statistics, culminating in Friday's nonfarm payroll data for March. will give new insights into the strength of the US economic recovery and whether President Bill Clinton's deficit reduction plan has damaged consumer confidence.

The German Bundesbank's decision-making central council holds a regular fortnightly meeting on Thursday. Its decision late last week to cut the interest rate on its three-day Treasury bill sharply to 7.5 per cent has revived hopes that it may trim its official rates further in response to signs of accelerating economic slowdown in Germany.

Behind the scenes, senior officials in the foreign and finance ministries of the Group of Seven countries will be continuing urgent work on a support programme for the Russian economy. The possibility of new assistance for Russia will be raised in talks between Presidents Clinton and Yeltsin in Vancouver next weekend. Meanwhile, rumbling trade

disputes between the US and its European Community partners will be given a new airing

in talks between Mr Mickey

Kantor, the US trade represen-

tative, and senior EC Commis-

sion officials in Brussels today

US employment

Civillan labour force charges non agricultural paysons (1000)

and tomorrow. In Britain, Mr Norman Lamont, the chancellor, and Mr Robin Leigh-Pemberton, the Bank of England governor, will be testifying on this month's Budget to the House of Commons Treasury and Civil Service Committee on Wednesday,

This week will see the release of important economic statistics from Japan, Germany and in particular, the US Tomorrow's March consumer

confidence index in the US will be closely watched for signs of further deterioration following the decline to 68.5 in February ment rate. France, February from 78.1 in December. February's US factory orders on Wednesday and the National Association of Purchasing Managers' index on Thursday will give an insight into the state of US manufacturing.

But most attention will focus on the March employment data. Non-farm payrolls increased by an unexpectedly strong by 365,000 in February, the largest such rise since January 1989. Many analysts expect employment gains will have been much slower this month. Another unexpectedly strong rise would suggest that the economy continues to grow well and casts doubt on the need for the expansionary elements in President Clinton's

The main statistical releases and events are as follows. The figures in brackets are averages of what financial markets expect, according to MMS International, an economics

Today: US, February new home sales (597,000), personal income (up 0.5 per cent), personal consumption expenditure (up 0.4 per cent). Canada, January employment earnings (up 3.2 per cent on year). Germany, InterAmerican Development Bank meets in Hamburg

February official reserves, bal-Tomorrow: US, March conance of payments. sumer confidence (67.4) . Japan, February unemploy**UK COMPANIES**

TODAY COMPANY MEETINGS: Fidelity European Value 25 Lovat Lane, EC., 3.00. BOARD MEETINGS: Finals: Aspen Comms Computer People Edinburgh Fd. Mngrs. Forth Ports

Incheape Linread Macallan-Glerifvei Needler interims: Lucas Industries MY Hidgs.

Scottish Asian Inv.

Hickson

■ TOMORROW COMPANY MEETINGS: Allied Textile, Highburton. Huddersfield, 12.00. Baldwin, The Registry, Royal Mint Court, EC., 10.00. Castle Caim Inv. Trust, 1 Charlotte Square, Edinburgh, General Cons. Inv. Trust, 49, Hay's Mews, W., 2.45. BOARD MEETINGS:

Finals: Avonmore Foods Broke Bros Cons. Venture Tst.

Croda Intl.

FW Fact Henderson Highland Hughes (T.J.) Le Creuset Macfarlane Mayflower Newman Tonks Psion Rhino TT Group Taylor Woodrow Tibbett & Britten Waterford Wedgwood

■ WEDNESDAY MARCH 31 COMPANY MEETINGS: **BWD Securities, Woodsome** House, Woodsome Park, Fenzy Bridge, Huddersfield, 11.30. Caldwell Invs., 12, York Place, Leeds, 12.00. Securicor Group, Richmond Hill Hotel, Richmond Hill,

Allied London Props.

Security Services, Richmond Hill Hotel, Richmond Hill, Richmond, Surrey, 12.15. Yeoman Inv. Trust, Bride House, 20 Bride Lane, EC., 12.00

BOARD MEETINGS: Arcon Res. Intl.

Richmond, Surrey,

Broadcastle Calor Central ITV Cuiver Fife Indmar Grampian Hidgs. Harrisons & Crosfield Hay (Norman) Hogg Group House of Lerose Johnson Grp. Cleaners **London Securities** Ocean Group QS HIdgs. Scholl Taylor Nelson AGB **Tilbury Douglas** Interims: Bridport-Gundry

Boxmore inti-

THURSDAY APRIL 1 COMPANY MEETINGS: Heming Hedgeling Inv. Trust., 25 Copthall Avenue. EC., 12.00. Gresham Telecomputing, The Crest Hotel, Eastleigh, Southampton, 10.00. Heavitree Brewery, Trood Lane, Matford, Exeter, Devon, Throgmorton Trust, insurance Hall, 20 Aldermanbury, EC., 12.00. BOARD MEETINGS:

Burmah Castrol Fairhaven **Great Southern** Jacobs (John L) Jourdan (Thomas TLS Range World of Leather Interims: Spirax-Sarco Eng.

FRIDAY APRIL 2 COMPANY MEETINGS: City Merchants High Yield Trust, 11 Devonshire Square. Lonrho, The Barbican Hall. Barbican Centre, Silk Street, EC., 11.00. BOARD MEETINGS: Finals:

Assoc. Fisheries **British Dredging Evered Bardon** Invesco MIM Rathbone Bros Shorco

Uister TV

Company meetings are annual general meetings unless otherwise stated. Please note: Reports and accounts are not normally available until approximately six weeks after the board meeting to approve the preliminary results.

*

RESULTS DUE

INCHCAPE, the motor and business services group, is expected to report substantially increased pre-tax profits. from £185m to about £248m, when its 1992 results are published today. Interest will focus on how the group has integrated Tozer Kemsley Millbourn, the motors and retailing concern bought for £383m at the end of 1991, and which is thought to have enhanced earnings.

Analysts will also want to hear how Toyota and Mazda vehicles are faring, now the car market is at last showing signs of recovery Interims, also today, from Lucas industries, one of the largest UK engineering groups,

will provide few surpris The group has already made clear its 1992-93 first half will be little better than the previous year when it made pre-tax profits of £200,000. But it is expecting to earn enough over the full year to pay a maintained covered dividend of 7p, pointing to total pre-tax profits of around £75m.

Pearson, the diversified group which includes the Financial Times in its range of interests, is forecast to show a fall in 1992 profits when it nounces today.

Analysts are looking for

around £140m-£146m, compared to £173.8m the year before. However, a maintained dividend is expected. Low activity in the US oil industry will have hit Camco, while recession will have taken its toll at Royal Doulton and the entertain-

ments divisions. Construction company Taylor Woodrow is expected to reveal pre-tax losses for last er of £65m to £70m when it announces results tomorrow. Analysts are expecting more than £60m of write downs to bring the company's land bank and properties into line with cutting its dividend at the

likely to be cut, possibly to 0.5p compared to 7.64p last year. Analysts following Burmah

unemployment rate (10.6 per

cent). Australia, January cur-

rent account (A\$900m surplus).

Canada, January real GDP at

factor cost (up 0.3 per cent on

leading indicator, factory

goods orders, March Chicago

NAPM Japan, February con-

struction orders, construction

Thursday: Germany, Bundes

bank central council meeting.

US, February construction

spending (up 0.7 per cent), March NAPM index (55.0), ini-

tial claims week ending March

27 (347,000), money supply

ek ending March 22 (M2 up

Friday: US. March non-farm

payrolls (up 100,000), manufac

turing payrolls (up 10,000),

hourly earnings (up 0.2 per

cent), unemployment rate (7

per cent). UK, March official

reserves (unchanged), Febru-

ary housing starts. France, National Assembly resumes.

Saturday: Canada, Presi-

dents Clinton and Yeltsin meet

During the week: Germany, February industrial production

(down 1 per cent on month),

manufacturing output (down

1.3 per cent on month). Italy,

Peter Norman

in Vancouver,

starts, housing starts.

Wednesday: US. February

month).

Castrol believe the lubricants, chemicals and fuels group will on Thursday report annual profits ranging from £82m-£86m, compared with £79m in 1991.

The uncertainty arises because concern over the group's exposure to the faltering German economy, increased by its acquisition of the Foseco metallurgical business, is balanced by prospects for synthetic oil products in the US.

PARLIAMENTARY DIARY

TODAY Commons: Questions to Welsh ministers and Chancellor of the Duchy of Lancaster. Debate on motion to approve coal White Paper. Lords: Housing and Urban Development Bill, committee Pneumoconiosis (Workers' Compensation) (Payment of Claims) (Amendment) Regulations. Scottish Legal Aid regulations. Select committees: Public

Accounts - subject: Sale of Girobank. Witness: Sir Peter Gregson, permanent secretary, department of trade and industry, 4.30pm, room 8. Home affairs - subject: Juvenile offenders. Witness Prison Governors' Association; Prison Officers' Association, 4.45pm, room 15.

TOMORROW Commons: Education questions. Questions to the Prime Minister. European Communities (Amendment)

Lords: Trade Union Reform and Employment Rights Bill, committee. Video Recordings Bill, third reading. Local Elections (Variation of Limits of Candidates' Election Expenses) (Northern Ireland)

■ WEDNESDAY Commona: Scottish questions. Legal Aid regulations. Debate on EC report on Common Agricultural Policy. Lords: Debates on the coal review and threat to independent television companies from European Select Committees Environment - subject: Housing Corporation. Witnesses: Professor Klein, Bath University and Christine Whitehead, London School room 21.

of Economics, 9.15am,

Partiamentary Commissioner

for Administration - subject:

PCA report on compensation to farmers for slaughtered poultry, Witness: Mr Richard Packer, permanent secretary, fisheries and food, 10am, room 19.

Trade and industry - subject British Aerospace Industry. Witnesses: Rolls Royce; The Boeing Company, 10.30am, room 15. Treasury and civil service subject: March 1993 Budget. Witness: Mr Robin Leigh-Pemberton, governor

of the Bank of England, 11am, room 8. educational needs. Witnesses: Association of County Councils, Association of Metropolitan Authorities; Society of Education Officers, 4.10pm, room 18. Public Accounts - subject: Matters on the Inland Revenue Standard report 1991-92. Witness: Sir Anthony Battishill

chairman, Board of Inland

Treasury and civil service subject: March 1993 Budget. Witness: Mr Norman Lamont. the chancellor of the Exchequer, 4,30pm, room 8, Home affairs - subject: Juvenile offenders. Witness: Mr Michael Jack, minister of state, home office, 4.45pm,

Revenue, 4.15pm, room 16.

Commons: Treasury Prime Minister, Easter adjournment debate. All

FRIDAY debates. Lords: Not sitting.

MARCH 30-31

cos and cod-u enquiry processing. No advance

APRIL 1 & 2

Topics covered: Monetary policy. Banking regulation. Financial risks, Tactics of privatisation and Government For application form contact: LSE Short

Courses Office. Tel: 071 955 7227. Fax: 071 955 7676.

chs. President of the State Commi & Sir Edward Heath, will tell delegates about Cuba's potential & the practical Contact: Kuren Pedersen, Europ Tel: 071 779 8831. Fax: 071 779 8835.

APRIL 1-7 The British Inten

150 Exhibitors showing a fine and ortagt selection of surfigues. Deteline 93 (Paintings 1930). All exhibits are Vetting Committee. Open 11.00 am -9.00 pm (daily). Closing 6.00 pm (Sat, Sun and Final day). Enquiries: Linda

Tel: 021 780 4141 (Ext 2760). BIRMINGHAM

FT City Course

nics with interests in the City. Its objectives are to provide a broader understanding of all aspects of the operations of the City and the factors that make it a pre-eminent financial and Times. Tel: 071 814 9770. Fax: 071 873 3975/3969.

LONDON

Penta Heathrow - Vanchall Chairman Bitt Ebbert; David Beck MD Lex Retail; Geoff Dale Chairman Evans Halshaw; Robert Collict Sales Director Jaguar, Trevor Fam MD Pendragon; Paul Dunkley MD CAMBRIDGE 5345 (1 day only), £595 Camden Motors Tickets (inc. hunch) £195. (both days) Contact: Kathy Page, Brady Contact: Janet Itani. Tel: 081 687 2340.

British Public Works Association Privately Financed Intrastructure

Stephen Dorrell, MP, Financial Se consider the future role of private finance in Britain's infrastructure. Contact the BPWA.Tol: 0784 452748.

APRIL 21-22 Introduction To Options Course - Parts 1 & 2

Day 1: Basic Terminology, Option ng, Trading & Hedging Str Day 2: Volatility, Advanced Trading des. Portfolio Managem Cambridge Science Park, Cambridge £345 (1 day only), £595 (both days). Contact: Kathy Page, Brady Financial Seminars. Tol: (0223) 423250.

Downsizing I.T.: The agement issues

This one day conference looks beyond the technical aspects of moving from agerial and effectiveness dim Tel: 081 544 1830. Fax: 081 544 9020.

The Commercial Dimensions Of Parallel Computing

data base servers for performa fault tolerance. Top European and US speakers from industry and acade liscuss parallel software strategies for business applications (with major case 256484. Fax: 0895 813095.

APRIL 28 & 29 Financial Innovation - New **Directions For The 90s**

This high-level forum will review nts in financial innovation in a period of low growth and low inflation and consider future trends. Enquiries: Financial Times. Tel: 071 814 9770. Pax: 071 873 3975/3969.

LONDON

APRIL 28 - 29 Interest Rate Risk Manag

Day 1: Yield Curve construction and Risk. Basic Derivative Instruments. Day 2: Risk Models. Hedging Basic and Derivative Instruments, Trading workshop sea Venue: Cambridge Science Park, Financial Seminars. Tel: (0223) 423250

LONDON MAY 10-11

The Bank - Restoring Profitability" ess Process Redesign; Don UK Benking, Midland Benk; Tom Jones, EVP, Financial Control, Ciribank. Contact: Elaine Fitzsimons, Lafferty CAMBRIDGE

Adequacy and Investment Services lirectives, the future structure of European equity and bond markets, the needs of international companies in raising equity and debt finance will be Tel: 071 814 9770. LONDON Fax: 071 873 3975/3969.

MAY 10-11

ches to achieving partners erween LT, and the business, includ changes in working practices, 1.T. organisation and the development of agers with balanced 'hybrid' skills. Tel: 081 544 1830. Pax: 081 544 9020.

> MAY 13-14 2nd International Direct Banking Service?" Learn the best strategies for developing your direct service provision from: Topdanmark, Postenk, USAA Bank

Contact: Alison Creed, Lafferty Tel: 353 1 718022. Fax: 353 1 718240.

and many more. Key issues to be addressed:

MAY 17

A change in regulatory climate, recession and catastrophes have brought about evolution in the longrance Industry. There are opportunities to be seized, but the risks are high. Find out more from leading Contact: Acquisitions Monthly

tructuring in The insurance

Open Systems: A Critical Review ing for an open systems environm backing? In there a competting bu

The North See Towards 2000 Petroleum Economist/CBI conference o Oli & Gas brings together many leading anthorities to consider the key issue affecting the North Sea - production, exploration, Government policy, technological developments, safety,

Contact: Karen Acton, CBI Confere Tel: 071 379 7400. Pix: 071 497 3646.

ng A Competitive Edge With I.T.: Some Practical

LT, can no longer be treated in inolat business issue. This one day briefing will enable you to match technological applications to your specific busine Irements. Contact: Dipti Chauhan IBC Technical Services Ltd. Tel: 071 637 4383. Fex: 071 631 3214.

LONDON MAY 21 IADB Conference - Meeting The Investment Needs Of Latin

Dr Enrique Iglesias hosts this event sponsored by Canning House, ING Bunk, Latin American Newsletter and Bankers Trust. Focus on capital requirements. nature and size of capital flows. Contact: Marc Let. Cityforum.

Tel: 0225 466744. Fax: 0225 442903.

Working with the Regulat Examining the regulation of privatised atilities. Topics include: effects of regulation on business strategy; price capping, competition; role of Government. Speakers: from BT, Mercury. PowerGen, Welsk Water, OFGAS, OFFER, OFTEL OFWAT, British Gas. Contact:

ICOM Conferences. Tel: 0226 299072 LONDON MAY 25 Petroleum-Beged Land

Contamination involved in the manufacture, storage handling and use of petroleum product both from a legislative and practical view; also local authorities responsible for planning environment, health, builting or land use. Contact: Caroline Little, Inst

Tel: 1171 636 1004. Page 071 255 1472. LONDON

This one day conference gives a realistic sourcement of their relevance to today's LT. strategies. Should every organisation be If not, what architectures should they be ent for backing open syste Tel: 1891 544 1830. Fax: 081 544 9020.

New Financing Opportunities in The Metals Industry

This 1 1/2 day conference will provide a timely forum to discuss and debate the metals and mining industries of the

Contact: Diane Little for details and early-bird registration details. Tel: 081 330 4311. LONDON

JUNE 3-4 The Third Global Conference On Marketing Forum for undate and exmarketing theory and practice, led by faculty of practitioners, academicians and

In North America, Au LONDON

provides an incisive guide to the challenges presented to the LT, function. There will also be opportunities to obtain hunds-on experience of some of the new oftware tools which support b modelling and redesign. Contact: Business LONDON

Learn what prodest measures to adopt in me who have had pract of physical disasters on their business activities and LT. facilities. Contact: Dipti Chashen, IBC Technical Tel: 071 637 4383, Pax: 071 631 3214.

Current Developments in North

The conference papers will give a topical overview covering company contract Lastitute of Petroleum Tel: 071 636 1004, Fax: 071 255 1472.

JUNE 9 Avoiding Software Disaster & Multiplying Software Value Software effectiveness significantly impacts the difference between grafit and

mistakes are disastrons as the Stock

relationships, safety management, environmental issues, shallow gas hazarda/safety cases and future technology. Contact: Caroline Little,

JULY 1 **Putting Government Contracts** out to Tender less -Corporate success is dependent on

Gary Hamel: Competing For The Future, A New Strategy

ness expects in the world, will outline what a company must do to position itse and beyond. Venue: The London Ma Hotel. Contact: Claire Merkins, The Economist Conferences. Tel: 071 493 6711 est. 276. Pag: 071 409 3296

JUNE 18

Protecting the Media Practical advice and explanation of current and future law on actions for defamation, contempt, copyright, breach of confidence, passing off and malicious falsehood. How to deal with the et: Athina Peters, IBC

Tel: 071 637 4383, Fax: 071 631 3214. LONDON JUNE 21 - 22

European Export Controls 1993 Single Market principle with strengthened proliferation controls. Control lists have for end-use controls introduced. Essent for export control, compliance manager: Contact: Linda McKay, IBC, Tel: 071 637 4383 Fax:071 631 3214

JUNE 23 Paying for Inter-Urban Roads ice on the Govern Paper on road charging and linancing road infrastructure. Speakers include Rt Hon

John MacGregor MP, Secretary of State for Transport. Contact: Isin Dale, The Waterfront Partnership. Tel: 071 730 0430. Fax: 071 730 0460.

JUNE 23-24 implications of PRIVATISING BRITISH RAIL Keynote Address by Roger Freeman MP. finister for Public Transport, Full Picture

for potential investors and advisors of the

turities and ricks of being involved in the new regime. Contact: Athins Peters, TBC. Tel: 071 637 4383 LONDON

and Opportunities for Profit. What are the market testing findings, what opportunities exist for the private sector, what costs are involved, how do you tender? Contact: Linda McKay, IBC. Tel: 071 637 4383 Fus: 071 631 3214

Ralph Killman: Corporate Culture Change - How To

Repeated due to demand. Learn how to nd Culture, bow to manage it and why it is the key driving force and energy behind all offorts at organisation Contact: Claire Meckins, The Economis Conferences. Tel: 071 493 7611 ext 276

INTERNATIONAL APRIL 21 - 22

24.000m' bigh-quality building for motor A/S goods and services for more than DKK 100,000,000 will be and services are invited to present themselves and their products to this project's decision-makers. Further

APRIL 22-23 International Pharma R&D Conference Maximising R&D Contribution To

Corporate Success". Designed for top R&D executives, this international focus will focus on how to optimally focus R&D and to maximise R&D investment payback. Contact: Management Centre En Annacis. Tel: 32-2-516.19.87. Par: 32-2-513.71.08.

APRIL 25-27 Contracting in the United Arab Emirates

Chamber of Commerce & Industry & UAE Contractors' Association. Sessions include Construction Prospects, Finance Contractual Arrangements, Claims Tel: 0 71 386 9322 Fax 0 71 381 8914

Black See OH & Gest Emerging Opportunities
The first public international forum on the Central Asian and South-East Europe ail and gaz industries, with senior delogations from the entire region, Hosted by Marmara Bank and Europe Energy Environment. Contact: Eur Energy Environment. Tel: 071 493 4918.

APRIL 28-29

APRIL 29

Fax: 071 355 1415 ISTANBUL,

Business Opportunities within Economic Funding for Eastern Europe & The FSU becoming involved in economic aid programmes (PHARE & TACIS). Introduction of the new BC Law Reform initiative. Consortia Building. Kazakhatan

Tcl 0 71 386 9322 Fax 0 71 381 8914

& Albenia Case Studies.

■ THURSDAY questions. Questions to the

night session of backbench Lords: Leeds Supertram Bill, second reading, London Local Authorities Bill, third reading. Debate on civil rights of Albanians in former Yugoslavia's Kosovo region.

Commons: Short backbench

CONFERENCES & EXHIBITIONS

USA Catalogue Exhibition ers in the UK and/or Common Market. Exhibition of catalogues and videos at the Royal Lancaster Hotel, London. Hours 10-5. Present business card for tree entry and

LONDON

Banking And Finance in

APRIL 1-3 Key government officials & internation experts, including Ernesto Melendez

LONDON

APRIL 5 - MAY 24

APRIL 15 Automotive Management Congress '93: The Motor Retail

Only 20 Tickets left

to the Treasury, is the keypote speaker at a one-day conference at the Royal Westminster Hotel, London SW1, to

APRIL 27-29

Know Your Competitors: Competitor Intelligence & Analysis Inc. Benchmarking A practical two day seminar/workshop from the UICs No. I specialists. Practical case exercises, successful case studies Guest speaker who is head of a major

Tel: 071 487 5665. Faz: 071 935 1640. LONDON

5th European Financial Servicus Conference "Rebuild Re-ongineering. Ensure your fature viability. Speakers: Brian Pinnsa, CEO, Lloyds Bank; Gene Lockhart, ex CEO,

Tel: 353 1 718022. Fax: 353 1 713594 LONDON ntation of the ECs Capital

riries: Figureial Times.

LONDON This two day conference explores the

MAY 27

mecutives from 25 cour Tel: 322 516 1911.

JUNE 7

Fax: 081-544 9020

Contingency Plenning In Business, I.T. And

Exchange just learned with the Taurus Project. At the institute of Directors. Call Chris Kohnt on 071 244 7518 at Century

snage 'Beyond The Quick Fix'

Pax: 071 409 3296

Building for Radiome Denmerk

nformation: Fex: +45 45 82 75 31

Aerospace And Come The FI's bienni the zirline and comme manufacturing industries faced with increasing competition. Enquiries: Financial Times.

Tel: 071 814 9770. **PARIS** JUNE 8-10

Contact: Interforus

Tel: 071 386 9322 Fax: 071 381 8914.

JUNE 14 & 15 World Gold The aim of this year's annual FT Gold conference is to bring together central bankers, bullion bankers, mining bouse executives and industry analysts to review the current outlook for gold and discuss future market trends. mines: Financial Times.

ISTANBUL

TO ADVERTISE IN THIS SECTION PLEASE CALL ALISON PRIN ON 071 407 5752

Conference will bring together DRI's outside speakers to address the issues of the current cycle in the automotive industry and to anticipate the critical estions to be faced in the next live years. Contact: Corinne Redounct. Tel: 081 545 6212.

DRI/McGraw-Hill's World Cars

and European Trucks

MAY 12

JUNE 2-3

BRUSSELS

Participate in a 1-day Business Wargaming seminar and workshop. Learn how to improve your probability of

and 50-page Business Wargaming Guide included. For managers in Business Development, Competitive Intelligence, Marketing, and Planning. In-house events ngod.Contact: IIB SA. Tel: +41 22 362 77 67.Fax: +41 22 362 77 92

Under the theme of Management for Turbuleat Times leading interes expents: Philip Crosby, Richard Poscele,

Tel: 041 353 2882 Fax: 041 353 1771 JUNE 8 & 9 on To The Year 2000 ede the Paris International Air Show will focus on the prospects and challenger

Group's David Bower will address key

Ukraine - The New Business Two day conference exploring financial and economic opportunities in Ukraine. Optional day of visits to Ministrics and TACIS office. Topics include Economis Reform, Privatisation, Poreign Investment. Ukrainian and Western speakers.

ARCH 29 1993

in "Grmer da s Klosovo region. is: Short backbens

rco Eng.

Dalwa O'seas Fin. Gtd. Fitg/Fed. Rate Nts. 2002 \$2015.90 Eksportfinans 814% Nts. 1995 Fullta Fitg. Rete Mrs. 1997 Y1078125.0 GUS 13,75p GUS A 13.75p Japan Airlines 814% Gtd. Bd. 1998 2405.25 Manuberi Int. Fin. 8.4% Ser.C Bd. 1998 Y8400000.0 Nationwide Bidg. Scty. 11496 Nts. edging udon 1997 2562.50 Do. Fitg. Rate Nts. 1896 £89.60 Newman Torks 5.50 Nomura Bk. Int. 9%% Ctd. Sb. Bd. MIN Bros Sabre Int. (No.2) 6.4% Sec. Nts. Saitsma Bk. Fitg. Rate Sh. Ln. Ptopn. Cert. 2000 \$95.63 Southern Bacz. 10446 Bd. 2002 21025.0

> Tokal Bank Nederland Fitg/Fxd. rate Gts. Nts. 2002 \$2041.18 Unilever Cap. 91/36 Gtd, Nts. 2000 Yorkshire Elect. 6p # TOMORROW Brit. Gas int. Fin. 9% Gtd. Nts. 1994 Brit. Land (Jersey) 8.625% Cv. Cap. Bd. 2011 £42,53425 Brit. Telecom Fin. 8%% Gtd. Bd. 1995 \$431,25 GW O'seas Fin. Gtd. Fitg. Rate Nts. 1994 \$263.96 Hallfax Bidg. Scty. Fitg. rata Ln. Nts. 1996 (Ser.B) \$222.03 Itoh (C.) Int. Fin. 714% Gld. Nite.

Stars 1 Class A Flag. Rate Mag. Bolid. Sec. 2029 £185.09

Sweden (Kingdom of) 11/4% Bd. 1995 £562,50

DIVIDEND-AND

1995 Ecu 108.25

INTEREST PAYMENTS

Bradford & Bingley Slog. Schy. Sb... Fitg. Rate Nts. 2001 (2082.41 Brit. Telecom Fin. 10%/% Gtd. Nts.-1005 For 108 26

Cable & Wireless Int. Fin. 10%% Ged. Bd. 2002 £1037.50 Cardiff Auto Receivables Fito, Rate Nts. 1995 £183,39

stralian Ind. Dev. 101/2% Bd. 1999

* = / 1 * 12

Treesury 71/2/2 1998 21.6958 U.K. Fitg. Rate Nts. '96 \$81.25 Wood (S.W.) 0.5p WEDNESDAY MARCH 31 ABS Kent 6% Db. "88/93 £3.875 Do. 74% Db. "88/93 £3.875 Do. 8% Un. Ln. "88/93 £4 Aegis 9.875% Cv Un Ln 2002 4.80186p Alexander & Alex, Servs. \$0.25 Alexon Cv. Rd. Pf. 3.125p Allied Radio 8% Cv Ln 2001 £4 Alinalt Lon. Prope. 91/3/6 1st Mtg. Assoc Br. Fing 4. Pt. 4. 125p Assoc Br. Eng 4. Pt. 4. 125p Assoc Br. Eng 4. Pt. 4. 125p Assoc Br. Eng 4. Pt. 4. 125p Do. 8% Cv. Rd. Pt. 4p Atlantic Metropn. 12% Cv. Ln. '91/ 97. Pt. 97 26 Audan Props. 11% 1st Mtg. Db.

Automotive Prods. 3.5% Cm. Rd.

Kernira Fitg. Rate Nts. 1985 \$283.96 OKI Elect. 8.5% Bd. 2000 Y650000.0

Seagrem \$0.14 Treasury 15%% Ln. 1998 £7.75

Pl. 1.75p Do. 4,55% 2nd Pl. 2.275p Do. 9% Cm. Pl. 4,5p BAA 11%% 2016 2587.50 Barrow Hepburn 7.75% Cm Pf 3.875p Bass Inva. 714% Un. Ln. '92/97 23.6875 Bass 10.65% Db. '96/99 55.325 Do. 714% Un. Ln. '92/97 52.25 Do. 714% Un. Ln. '92/97 53.875

Charita I

Bennose 7½% Cm. Pl. 2.625p 8tCC 7%% Db. 90/95 53.875 Blue Circle Inds, 5%% 2nd Db. 1984/2009 £2.875 1984/2008 E2.875
Boddington 4% Db. Perp. £2
Boots 74 % Un Ln. 98/93 C3.875
Boot (Henry) Crn. Pf. 2.8250
Böscombe Prop 5% 1st Pf 1.75p
Bowater 7.75% Cv. Pf. 3,875p
BP America 544% Gbt. 8ds. 1999
Ecu86.25

Brit. Airways Cap. 9%% Cv. Cap. Brit. Anways Cap. SH79 CV. Cap. Bds. 4,8816449
Brit-Amer Tobscop 5% Cm Pf 1,75p
Brit. Assets Tet. 4%% Pt. 1,575p
Do. 5% A Pf. 1,75p
Brit. inv. Tat. T1:125% Sec. Db. 2012 25.582 Brit. Land 101/2% Deld. 1st Mig. Do. 11%% 1st mtg. Db. 2019/24-£5.6675 Britation Est. 11.75% 1st Mitg. Db. 2018 25.875 Brockhampton 9.5% Rd. Pf. 1998 4.75p Brown (J) 4%% Sec. La. 2003 \$2.4375 Do. 5%% Sec. Ln. 2003 \$2.8125

Bruntcliffe Invs: 7% Cm Pf 2.45o Burtonwood Brew, 814% Db. '89/ 94 \$4.125 Cable & Wireless 7% Cv. Un. Ln. 2008 £3.50 Cap. & Counties 6¼% 1st Mtg. Db. 93/98 £3.125 Do. 64% 1st Mtg Db '94/99 83.375 Chapman Inde. 81/2% 1st Mtg. Db. 93/98 24.25 Chemical Brikg, Fitg. Rate Siv. Nts. 1999 548,13 Chillington Corp. 12% Cv. Un. Ln. 2001 26.0 Churchbury Esta 8% Ln 2000 £4.50

City Site Ests. 10.5% 1st Mtg. Db. 2017 25.25 Cleveland Place 5% Rd. Db. 2000 £2.50 Do. 7%% Rd Do 38/93 23.875 Do. 1014% Rd Db '90/95' 25.25 Do. 124% Rd. Db. 2008 28.0625 Costs Viyelia 4.9% Cm. Pf. 2.45p Collabrailised Montgage Sac. (No.8) Mtg. Bold. Fitg. Rate Nts. 2028 £173.28

Do. (No.11) Class A 2028 £172.37 Comm. Union 876% Cm. Ind. Pf. 2,845206p Continents! Bank \$0.15 Contl. Illinois O'see Fin. Citcl. Fitg. Rate Sb. Nis. 1994 \$131.25 County Smit Co's Inv 1.125p Courtaulds 7%% Ln 2000/05 23.875 Courts (Furnishers) 5.9% Cm. Pf. 2.95p Cowie (f) 10%% Cv Rd Pf 5.25p Credit Fonction de France 14%% Gtd. Ln. 2007 £388.75 Del-Lni Kangyo Bk. 3%% Cv. Bd. 2004 \$96.875 Dales Simpson 5% Cm. Pf. 1.75p Debenhama 6¼% 2nd Db '90/95 De La Rus 2.45% Cm. Pt. 1.925p Desiremish (JA) 3.85% Pf 1.925p Do. 4.5% Cv. 2nd Pf. 2.25p Drayton English & Int. 51/3% Cm Pf 1.925p

Do. 8,875% Cm. Pt. 4,4375p

Do. 109696 Db. 2014 25.3125

Eastern Int Inv 914% Db 192/97 C4.75 Elliott (B) 614% Db '88/93 C3.25 Do, 7%% Db, '90/96 53.825 Emhart 6% Cm. Pf. 2.1p Empire Stores 8%% Db '91/98 24.375 24,375 Engelhard \$0,15 Erskine House Cv. Rd. Pt. 3,625p Essex Water \$14% Rd Ob '97/89

24.5376 Do. 11.2% Rd Db '05/09 25,60 Do. 11.5% Rd Db '05/09 25,75 Do. 11.3% Rd Db 2022/01 25,876 Euston Centre Prop. 10.4% 1st Mig. Db. '92/97 25,20 Ewert 81% Un. Lh. '90/95 24.25 Eweter Pri. Cap. Inv. Tat. 0,938p Fidelity Distributing Money Fd. Aunt. 5 Fd AS0.345 . Do. Austrian Schilling Sch7.9237 Do. Canadian \$ C\$0.3805 Do. Deutschmark DM1,2082 Do. Dutch Guilder FL1,0067 Do. ECU Ecu0.5032

Do. French Franc FFr2.3885 Do. HrtS HIGS: 487 Do. Itielan Lina L1110.21 Do. Japanese Yen Y 38.3541 Do. Itseian Lira L1110.21
Do. Japanese Yen Y 38.35A1
Do. New Zeeland Dollar NZ\$0.7544
Do. Spanish Peesta Pta118.3805
Do. Starling 10.374
Do. Swisse Franc SFr0.7012
Do. US Dollar \$0.2222
Fidelity Euro Values Eq. Lied. Ur.
Ln. 2001 0.9469p
Finsbury Growth 5% Pf 2.5p
Finsbury Tst. 5.2596 Pf 2.825p
Fisons \$3%4 Ln. 2004/09 29.9875
Fletcher Challenge NZ\$0.07
Foreign & Col. Inv 5% Pf 1.75p
Foreign & Col. Eurotrust 5%% Cv.
Un. Ln. 1998 52.875

Un. Ln. 1998 £2.875 Forminater 11% Cm. Pf. 5,5p Fuji Bank 114% Cv. Bd. 102 \$43.75 Fujitsu 3% Cv. Bd. 1999 \$75.0 Do. 51/16 Va. Bd. 1996 \$27.50 Fulcrum Inv. Tat. 2.65p. **GATX \$0.35** GATX \$0.35 Gartmord Value invs, 0.9225p GEC 2.88p Do. 74% Un. Ln. '88/93 £3.875 Gen. Bect. O'aeas Cap. 51/94 Stig/ Dollars Cv. Gtd. Ln. '85/93 £2,75

Sovett Strategic inv. 11/2% Db. 2014 25.75 Glynwed Int 1096% Ln '94/99 \$5.375 Greinger Tst. 114% 1st Mtg. Db. 2024 25.876 Great Portland Ests. 81/4% 1st Mig. Great Portuation 2505, 89% 185 Mtg. Db. 19085 £4,125 Do. 9.5% 18t Mtg Db 2018 £4.75 Do. 104% 1st Mtg Db 2021 £5.375 Greenists 8% Cm. Pt. 4p Greenitaven Sec 7)4% Ln 191/96 Greehern Tst. 61/1/4 Gtd Ln '88/93 23.25

Do. 8% Gtd. Un. Ln. '88/93 £4.0 Grosvenor Dev. Cap. 794% Cv Ln '99 3.75p GT Chile Growth \$0.25" Heco 10%% Several Db 2017 25,3125 Halifax Bidg. Scty. Fitg. Rate Ln. Nts. 1996 (Ser.A) 229.18 Haima 11% Cm. Pf. 5.5p Hampton Tst. 10%% 1st Mtg. Db. 2025 25.25 Hasiemere Ests. 101496 1st Mtg. Db. '96/03 £5.125 Heetair Cons Prods 8% Ln '85/95

Hewetson 0.5p Higgs & Hill 8% Ln '86/94 24.0 Hill & Smith 14% 1st Mtg. Db. 2000/ 03 27.0 Horner Fin. Class A Mtg. Bokd, Fitg. Rate Nts. 2028 £179,76 Do. Clase 5 2223.97 Housing Fin Crp 5% Do 2027 22.50 Do. 7% Ob. 2009 23.50

€3.0

Hoyle (J) 5% Cm. Pl. 1.75p Inchospe 10%% Ln '90/95 £5.25 Do. 12%% Ln '93/98 £5.25 Do. 121/9 LT 18(96 131.2) Inco Eng. 11% Db. '96/01 £5.50 Investment Co. 0.5p Do. 6% Cm. Pf. 1.05p Investors Cap 734% Db '92/97 23.625

on & Firth Brown 11,05% Cm. Do, 11% Un. Lr. 193/98 95,42 Do, 11% Un. Lr. 183/98 26,42 Johnston Grp. 10% Crn. Pf. 5p Jones Stroud 10% Crn. Pf. 5p Jos Hidgs. 2,875p Kaluzi Kishi0,50 Kalesy inds 1114% Pf 5,825p Keystone Irv. 5% Pf 1,75p Koin Brewery Y5 Land Sec 6% 1st Mig Do '88/93

23.0

Do. 7%% 1st Mig Db '91/86 £3.625

Do. 9% 1st Mig Db '96/01 £4,50

Do. 64% 1st Mig Db '93/98 £3.125

Do. 10% 1st Mig Db 2025 £5.0

Do. 10% 1st Mig Db 2027 £5.0

Do. 86% Ln '82/97 £4.25

Laporte 5% Db. '83/98 £4.375

Laporte 5% Db. '83/98 £4.0

Do. 16% Db. '83/98 £4.0 Do. 1014% Db. 194/99 £5:125 Lands (City of) 131/516 Rd. 2008 DB.75 28.75 Leigh Inta. 6% Or Rd Pf 3p Lon. American Ventures Tat. 4% Crn. Pf. 2p Lon. Cremation 10% Crnn Pf 3.5p Lon. Mexchant Sec. 10% 1et Mg. Db. 2018 55.0 Lonthy 106% 1et Mb. Db. 327

Lonnho 1014% 1st Mtg. Db. '97/ 02 25.125 Lookers 8% Cv. Cm. Rd. Pf. 4p MEPC 3.86% Cm. Pf. 1.825p Do. 8% Un. Ln. 2000/05 £4.0 Oo. 94% 1st Mtg Db '97/02 £4.875 Do. 12% 1st Mtg Db 2017 £8.0 Un. Ln. '93/96 £3.50 Martin Marietta \$0.42 McCarthy Stone 7% Cv Ln '99/04 £3.50 Martin Int. Green Inv. 1.1p

Do. Units 1.1p Mitsubishi Elect. 274% Cv. Bd. 2000 \$71,875 Do. 514% Cv. Bd. 1998 \$131.25 Do. 514% Cv. Bd. 1996 \$143.75 Mortend 5% Cm. Pf. 1.75p Morde Ashby 1.7p Mucklow (A.i) 6496 1st Mig. Db. '88/94 £3.375 Do. 131/% 1st Mtg Db '00/05 25/25 Do. 71/1/6 1st Mtg Db '90/95 23.75 NEC 21/1/6 Cv. Bd. 2000 \$71.875 Do. 514% Cv. Bd. 1997 \$131.25 Do. 514% Cv. Bd. 1995 \$28.75

NEC Fin 10%% Db 2016 25.3125 Do. 13%% Db. 2016 26.8125 Do. 13/4/9 UD. 2016 N.D. 125 NMC Cm., Rd. Cv. Pf. 3.875p Nationwide Bidg. Scity. Fitg. Rate Nts. 1996 (Ser.2) £29.18 New Frontiers Dev. Tat. 61/19 Cv. Un. Ln. 2010 £3.25 New Throgmorton Tst. 12.6% Db. 2008 £6.30 Newcaetie-upon-Tyne 111/4% Rd. 2017 \$5.825 n 5%% Ov Bd '98 \$143.75 Do. 6% Cv. Bd. 1996 230,0 North Devon Water 45 '36 22.0 Northern Telecom \$0.08 OK Bazzars 5% Gross Chr. 1st Pf.

Do. 5% Gross Cm 3rd Pf. R0.05 Oldhem Met. Borough Council 12.4% Rd. 2022 98.20 Offiver 5.25% Cm. Pf. 2.625p Orient Fin. 8% 2/S Payable Cv. Bd. P & O Prop. 6%% 1st Mtg. Db. '89/ Do. 7%6 1st Mtg Db '91/96 23,625 Do. 8% Un. Ln. '97/99 24.0 PCO Fin 8% Cv Cap Bd '05 2200,0 Peerson 8,25% Un Lit '88/93 £4,125 Do. 5,675% Un Lit '88/93 £2,6375 Do. 6,975% Un Lit '88/93 £3,4875 Peel South 97 £4.125 nth East 81/14 Un Ln '87/ Petroleos Maxicanos 14W% I n 108

noenby Timber 8% Cm. Pf. 2.1p ortsmouth Water 3%% Perp Db Portsmouth Water 31/4% Perp Db 21.75
Do. 3% Perp. Db. 21.50
Do. 13% Rd. Db. 1994 26.50
Do. 10%% Rd. Db. 1994 26.50
Do. 10%% Rd. Db. 1996 25.3125
Prop. Hdg. Inv. 7% 1st Mtg. Db. 190/8 23.50
Public Says Ser Db 56 25.825
Dublic Says Extends 21 54 Public Serv. Enterprise \$0.54 RIT Cap. Partners 2.5% Ov. Un. Ln. 2000 £1.25 Readfout int. 6% Cm. Pt. 1.05p Do. 5%% 2nd Cm. Pt. 2.0125p Co. Sep. Sel. 2006 4.75p Renold 5%% 1st Db '90/95 23.375 Rights & Issues inv. Cap. 0.415p Do. Inc. 6p River & Marc Tat 61%% Db '89/94 \$4.25

24.25 Royal Blc. of Can. Fitg. Rate Db. 2005 US\$29.22 Royal Bk, of Scot. Ser. A Non. Cm. Pt, \$0.703125 Do. Ser.B \$0.70 Do. Ser.C \$0.59375

Do. Ser.C \$0.59375

600 Grp. 3.15% Cm. Pf. 1.575p
Do. 4.55% Cm. 2nd Pf. 2.275p
Do. 11% Un. Ln. '92/97 £5.50
S & U Storee 6% Cm. Pf. 2.1p
SEP Ind. Pf. 0.9665p
St. Danids Inv. Tst. 3p
Selvesen (C) 5.8% Cm. Pf. 2.8p
Sevoy Hil 8%% Un Ln '93/96 £4.25
Scentronic 5.75% Cv Rd Pf 2.875p
Scepe 8% Un. Ln. '88/93 £4.0
Scholl 8%% Pf '01/05 4.4375p
Do. 51%% Cv Cm Pf '11/11 2.875p Do. 514% Cv Cm Pf '01/11 2.625p Scot. Mortgage & Tst. 8-14% Sappt. Int. Db. 2020 27.0 Scot. Natl. Tst. Inc. 1.55p Db. Slapid. Pf. 8.190704p Db. 10% Db. 2011 25.0 Securicar 4.55% Ptg Pf 32.988p Sec Tst of Scot 44% Pf £1.575 Do. 12% Db, 2013 £8.0 Senior Eng 8.6% Ln '91/96 £4.80

Shires Inv 11% CV Ln 703/04 65.50 Smith New Court 12% Sb Ln '01 26.00 Smith St. Aubyn 6% Non Cm Pf Do. 914% Cm. 2nd Pt. 4,75p Smith (WH) 514% Cm. Pt. 2,875p Do. 3%% Cm. Rd. Pf. 1.875p South African Brews. 6.2% Cm.: Pt. R0.082 Do. 7% Rd. Cm. Pt. 80.007 Stag Furniture 11% Cm. Pt. 5.5p. Standard Chartel. 12%% Sb. Un.

Ln. 2002/07 SE.4375 Staveley 51/26 Cm. Pf. 1.8375p Do. 71/4% Un. Lr. 188/93 23.75 Sterling Estates 8% 1st Mtg. Db. 188/93 24.00 Starting Inds 51/4% 1st Pf 1,925p 31 71/4% A Db. '91/94 23.625 Do. 9% A Db. '91/94 £4.50 THFC (Indext) 5.85% R. 2020 TSB Perp Fitg Rate Nts 2191.40 TSB Hill Samuel Blk. 8% Ln '89/

Thai Prime Fd. \$1.5

Tootal 7%% in '89/94 £3.875 Tor inv 4%% Cm Pf 1.6625p .

Cape 8.4% Cv. Rd. Pf. 4.2p Carclo Eng 10%% Rd Pf 5.25p Cheam 7% Pf. 3.5p Tate & Lyle 61/36 Cm. Pt. 2,275p Do. 7%% Db. '88/94 £3,875 Do. 4.9% Pf. 2.45p Do. 3.15% 1st Pf. 1.575p Chesterield Prop. 5.25% Cv. Cm. Do. 10%% Un Ln '03/08 £5.375 Do. 8% Ue. Ln. '03/08 £4.00 Do. Cv. Rd. Pf. 3.125p Temple Bar Inv. Tat. 8.75p

Do. 8% Cm. Pf. 2.1p Trafford Park Ests. 114% 1st Mtg. Db. 2007/10 25.875 Transport Dev. 914% Un. Ln. 1995/ 2000 24.625 eet Silk Printers 6% Non-Cm. Pt. 2.1p Unigate 4,95% Cm. Pt. 2,475p Do. 3.9% Cm. Pt. 1,95p Do. 6% Un. Ln. '91/96 22.50

Do. 6% Un. Ln. '91/96 £2.50 Do. 8½% Un. Ln. '91/96 £3.25 VSEL Consrim 11% Ln '96 £5.50 Victors 5% N/Cm. Pfd. £1.75 Do. 5% N/Cm. Pf. 1.75p Do. Pf. 6% 2.5p Volex 7% Cm. Pf. 2.45p Warburg (SG) 7%% Cm Pf 3.8125p Do. 6% Cv. Pf. 3p Warmer Est 6½% Ln '91/96 £3.25 Walls Faroo File. Bate Sb. Nis. 2000 Wells Fargo Fitg. Pate Sb. Nts. 2000 stiend 12%% Db. 2008 26.1875 Westpac Bkg. Perp. Cap. Fitg. Flate. Nts. \$175.05 ad inv. 7-12% Stppd. int. 2nd Db. 2010 08.0 Whitbread 41/1/6 Rd. Db. 199/04

Wintrust 3p Do. 101/4% Cm. Pt. 5.25p Do. 5.75% Cv. Cm, Pt. 2.875p Yorks. Int. Fin. Old. Fitg. Rate Nis.

THURSDAY APRIL 1 AAH 4.2% Cm. Pf. 2.1p Airton's Cv. Pf. 0.873287p Airton Hume 7% Cv Rd Pf 3.5p Ailed-Lyons 9%% Db 2019 £4.875 Do. 734% Un. Ln. '93/98 £3.875 Do. 71/2% Un. Lr. 23.75 Do. 61/4% Un. Lr. 23.125 Do. 51/4% Un. Lr. 23.125 Do. 51/4% Un. Lr. 22.875

Do. 514% Un. Un. 52.625 Do. 714% Fld. Db. "88/93 23.625 Do. 634% Fld. Db. "88/93 23.375 Do. 34% Rd. Db. '87/97 £1.625 Alled Textile 8.1p. Asia Prop. 103% 1st Mg. Db. 2011 25,15625 Assoc Br Foods 8% Cm Pf 2.1p Austin Reed 8% Cm. Pf. 2,8p BET 5% Perp. Db. \$2.50 Beldwin 3p. Do. 7% Crm. Pf. 2,45p Bk. of Weles 13½% Sb. Un. Ln. '95/97 £8.75 Bexter Int. \$0.25 Blick 6.2p Biockbuster Ent. \$0.02 Bridon 7% Pf. 1,225p Bristol Water 8%% Cm. krd. Pf. 3.54795p Bristol Water Hidgs. 6.75% Cv. Rd. Pf. 3.375p Do. 11%% Rd. Db. 2004 25.875 Do. 11.2% Rd Db '05/09 25.80 Do. 121/% Rd. Db. 2004 28.25 on Est. 10%% 1st Mitg. Db. Buckingham Int. Sec. Cv. Rd. Ln. 1995 £1.50 Bullough 4.3p Caffyns 10% Cm, Pt. 5p Do. 5½% Cm. 1st Pf. 2.275p

Cleveland Piace 635% Rd Db '88/

93 23.267808 Coestal Corp. \$0.10

Conversion 31/2% Ln. £1.75 Courteulds Clothing 71/2% Cm. Pf. Craig & Rose 5% Cm. Pf. 1.75p Crast Nicholson 51/2% Cv. Cm. Pf. Crest Nicholson 37279 CV. Crit. Ft. 2.75p Deurhunst 1.26p Do. A NV/tg. 1.26p East Surrey 9.5% Rd Pf 4.75p Electron Hee 7.5% Cv Rd Pf 3.75p Edel 10/4% Cm. Pf. 5.25p Extent 101/19 Cm, Pf. 5.25p Fairtine Boats 6.25p First Chicago \$0.30 Plenning Contl Euro 5% Cm Pf 1.75p Planning Far Eastern Inv. 5% Cm, Pf. 1.75p Do. 41/196 Cm. Pf. 1.575p Fleming High Inc. Inv. 1.45p GTE Corp. \$0.455 Gen Cons Inv 51/96 Pf £1.925 Gatto 61/4/6 Ln 185/96 1.6875p Granada 4,95p Grand Met 4%% Cm. Pf. 1.8825p Hampson Inds Ov Rd Pf '91/03 3.25p Henton 2.85p Herdys & Hensons 6% 2nd Pf 2.1p Hollas 0.8p Hull 216% Rd. 1938 \$1.25

12.25
Wigials 6%% Un Ln '94/98 £3.375
Williamson & Riddell 5% Cm Pf 2.5p
Williams Hidgs 10%% Cm Pf 5.375p
Do. Cm. Cv. Rd. Pf. 4p
Wilshaw O.15p
Wilson (Connolly) 8%% 1st Mig.
Db. '90/95 £4.125 Do. 3%% £1.75 FIT \$0.495 Billingworth Morris 6%% Pf 2.275p Do. 5%% Cm 2nd Pf. 2.275p Impela Pistirum R0.45 Johnson Matthey 5% Pf 1.75p Do. 8% Cv. Cm. Pf. 4p Keystone Inv. 11%% Db. 2010/15 £5.6875 Kingsley Forester 3.85% Cm. Pf. 1.925p

Kunick 7p Cv. Cm. Rd. Pf. 3.5p Nunick 7p Cv. Cm. Hd. Pf. 3.5p Do. 8.25p Cv. Cm. Rd. Pf. 4.125p Leeds (City of) 13½% Rd '06 £3.75 Leo 1 Class A1 Mtg. Boles. Ptg. Rate Nts. 2035 £1717.83 Do. Class A2 £1854.71 Liverpool 3½% £0.875 Do. 3% Rd. 1942 £1.50 London (Corp. of) 3% 2007 £1.50 Low (Wm.) £.75% Cv Rd Pf 3.375p Menzies (John) 3.89 Do. 9% Cm. Pf. 4.5p MEPC 101/2% Un. L.T. 2032 £5.25 Metropolitan Water Lambeth 3% Do. 10% Rd. Db. 2018/17 25.0 MITTE 1.5p Morgan Crucible 3.85% Cm 1st Pf. 1.825p

Meropostar vener Lambert 3% Ad. Db. 21.50 Do. London Bridge Anns. 21.25 Do. 3% A 1963/2003 21.50 Mid Kent Hidgs. 10% Rd. Pf. 1997 Sp Mid-Summer Water 12% Rd Db 2010 Do. 3.5% Cm. 2nd Pf. 1.75p Morton Sundour 3,5% 1st Pf 1,75p Nat. Home Loans Sc. Fitg. Rate Nts. 1995 \$2.57 Owners Abroad Cy Rd Pf 4,875p P & O 5% Cm. Pf. 1,75p Pepsico Cap. 8% Cv. Sb. Db. 1995 \$80.0 Port of London Auth. 5½% 1948/ 98 £1.75 Property Sec. Inv. Tst. 1.5p Prowting 8.8% Cm. Rd. Pt. 4.4p Queens Most Hises 7.5% Cv Rd Pf 3.75p Do. 10%% 1st Mtg Db 2020 £5.125 RCO 9.24p Reading Corp. 31/2% £1.75 Repola Free FM0.65 Republic New York \$0.27 Db. 92.0 Do. 714% Rd. Db. 181/83 £3.75

REA Hidge Fitty Rate Ln '95/98 5p Sara Lee \$0.145

Severn Trant 7p Shell Trans. 51/1% 1st Pf. 1.925p Slebe 3.3275p

Sears Roebuck \$0,40

Smith (WH) A 4.3p Do. B 0.85p Southern Water 7.1p Sphere Inv 5% Cm Pf 1.75p Stewart & Wight 6% Pf 0.75p Suffolk Water 9% Rd Db '92/94 Do. 5% Perp. Db. £2.50 Do. 11.5% Rd. Db. 195/97 £5.75 Do. 33/96 Perp. Db. £1.75 Do. 4% Perp. Db. 92.0 Symonds Eng 74% Pf 2.825p TR Far East Inc. Tst. 1.2p Taylor Woodrow 91/% 1st Mig. Db. 2014 24.75 Thwaltes (Daniel) 5% 1st Pf 17.5p Town Centre Sec. 101/2% 1st Mig. Town Centre Sec. 10996 1st Mrg. Db. 2021 £5.25 Tress. 215% (1975 or after) £1.25 Usher (Frank) 2.5p Wade Potts 4.2% Cm Pf 1.05p Waste Mngemt. \$0.13 Wessex Water 7.3p Whitbread 51/4% 3rd Pf 1.925p Do. 7% Rd. Db. '88/93 £3.50 Do. 51/4% Ind. Un. Ln. £2.875 Wigan Corp 3% Rd, £1.50 Willis Corroon 1.65p Witan Inv. 81/96 Db. 2016 £4.25 Woolcombers 71/2% Pf 2.625p Do. 5% Cm. 2nd Pf. 2.1p Worthington 0.5p

Xerox \$0.75

9

FRIDAY APRIL 2 Aerospace Eng. 0.25p Alvis 0.5p Do. 6.5% CV NVVg Rd Pf 2.75p Amicable Smaller Ents Tat 1.7p ASDA 0.5p Banks (Skiney C.) 3p Black & Decker \$0.10 BOC 121/4% Ln 2012/17 98.125 Castle Calm Inv. 0.8p Central Motor Auctions 3c E.L. Du Pont de Nemours 8% Nts 2002 \$80.0 Dyson (J & J) 20 Do. A NVtg. 2p Eng. & Scot. Inve Do. 3.75% Cm. Pf. £1.875 Excellibur 0.2p Filofax 0.5p Fosters Brewing A\$0.0275 Gertmore American Sec. 1p Gen. Cons. Inv. 1.71p Gestetner 5.4p Heywood Wilme Cv Rd Pf 3.375p Irish Contl. IR2.42p Kleinwort High Inc. 1,675p Maruetsu 6,45% Bd, 1997 Y645000.0 Do. 6.45% Bd. 1996Y845000.0 Ransom (Wm.) 0.5 River & Marc Smilr Co's 1.25p Schlumberger \$0.30 Seacon 3.10 Second Alliance Tst. 12.5p Do. 41/2% Cm. Pf. 21.575 Sheatbank Prop Tat. 0.1p Throgmorton Tst. 1.4p Westpac Bkg. 10%% Sb. Bd. 1993

M SATURDAY Kusia Lumpur Kepang MS0.10 Premark Int. \$0.25

SUNDAY APRIL 4 BP Fin. Aust. 6% Gtd. Bd. 1993 Burtonwood Brew 7% Pf 2.45p

Sietie

Well known in Asia, EVA Air, the international airline of the Evergreen Group, is now bringing a little sunshine to the northern hemisphere. EVA Air is dedicated to setting new standards of service with an all-new fleet.

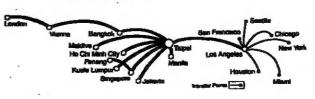
In addition to routes within Asia, we've now introduced three flights a week to and from London.

Travelling to Taipei or Bangkok, for business or pleasure-choose EVA Air and enjoy sunny service. gourmet meals and true Asian hospitality all the way. For reservations please phone the following numbers or your local travel agent: U.K. 44-071-833 96 10, France: 33-1-45 38 90 55, Switzerland: 41-021-653 55 81, Holland: 31-023-293 972, Belgium: 32-02-513 81 66, Austria: 43-01-512 45 01

Flight schedule information, departing London every Tuesday.

EVA AI (BR62)	ARR.	DEP.
London		12:25
Vienna	15:40	16:40
Bangkok ·	08:20*	09:20
Talpel	13:50*	

 ARR.=Arrival DEP=Departur "+"=The following day of departure





EVA Airways Corporation U.K. Branch 281 St. John Street London EC1V 4NB U.K. Tel: 44-071-833-9610~17 Fax: 44-071-833-9492 • 071-833-9496

troubled computer company began looking for a new chief executive last January, they spent a great deal of time discussing the most desirable characteristics of the leader to replace Mr John Akers, who is retiring early because of the group's poor performance.

They finally fixed on a list of 11 qualities, says Mr James Burke, the non-executive director in charge of what turned into the most closely watched executive hunt in American business history.

Last Friday he disclosed the contents of the list, partly to help justify IBM's announcement that it had given the job to a man without a high technology background - Mr Lou Gerstner, the chairman and chief executive of food and tobacco group RJR Nabisco.

In an interview with the FT, Mr Burke pointed out that only one item on the list referred to technology, and then with a qualification: Information and high technology industry experience highly desirable, says the note, but not averse to considering extraordinary busi-ness leaders.'

Mr Burke added that in his view IBM's problem is that "it is not run as much like a business as it needs to be". In these circumstances, "I think I would take a highly succes ful, tough-minded, strategic thinking businessman ahead of a technol-

ogist any day. "There's all the technology...that they need in this company. A lot of it gets insulated and isolated from the customers' needs, and finding a way to bring those together is going to be a major chal-

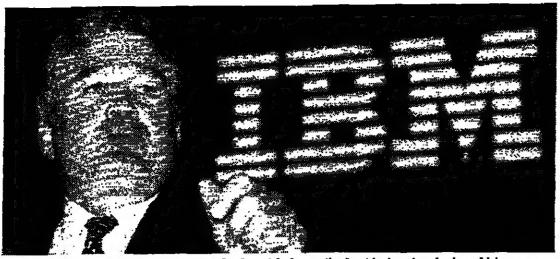
enge and opportunity. However, in spite of his remarks. industry rumours persist that several of the other candidates on IBM's short-list, who did come from a computer industry background, may have turned the company down before it began serious negoti-

ations with Mr Gerstner. Whatever the case, controversy seems certain to rumble on for months between those in the computer industry who think IBM's problems can be fixed by a well-qualified general manager like Mr Gerstner, and those who believe it is extremely hard for someone without a computer background to make the hard choices facing IBM on

technology strategy.

The computer industry is changing at phenomenal speed, with shortening product cycles.

The technology issue apart, the other 10 items on the IBM wish-list are also interesting for the light they shed on the company's perception of its own weaknesses and the qualities desirable in a leader of a



It takes a lot to be a superstar

Martin Dickson considers the ambitious wish-list drawn up by IBM in its hunt for a chief executive

which is about as omnipresent

global business in the 1990s. Customer orientation is prominent on the list, which is hardly surprising, since focusing relentlessly on customer satisfaction lies at the heart of most modern man-

agement theories But it is much easier to religiously intone this piece of jargon that it is to execute it. IBM itself has for years now been expressing a determination to get closer to the customer, but without much suc-

"This company," says Mr Burke, "used to be the best there was at ... satisfying customer needs. Its still pretty good in a lot of areas, but it's got to be a lot better." Mr Gerstner, as a former IBM customer himself, may bring a new perspective to the problem.

IBM's failure to anticipate market trends sufficiently quickly prompted Mr Akers to reorganise the business last year into more autonomous units, which might react more nimbly to customer needs. Mr Gerstner, who has a history of decentralisation, seems likely to accelerate the trend. International experience. This is

clearly a vital quality for the leader of any large, multinational business such as IBM, particularly as giobal markets become more and more inter-connected. Mr Gerstner has not lived abroad

in senior management positions, clear new technological vision for but he has had plenty of international experience. As president of American Express he ran a busine

around the world as IBM. Decisive analytical ability, creative visionary, effective and strategic thinker. These three qualities may seem basic to success in any business but they seem to have been in short supply at IBM as it has watched a relentless decline in the mainframe market on which it built its computer fortunes. IBM has been unable to articulate a

Eleven qualities for an IBM chief executive

☐ High tech experience ☐ Customer orientation ☐ International experience ☐ Analytical ability ☐ Creative visionary

☐ Strategic thinker ☐ Unusual leader with immediate credibility ☐ Record of success chief executive

☐ Inspires and motivates executive teams ☐ Makes change happen

itself and execute a strategy built around this. Mr Gerstner comes to the company with a strong reputation for analysis and strategic thinking, but he may find it hard to articulate a creative vision in a high tech indus-

try which is new to him.

• Unusual leader with immmediate credibility and record of business success as a chief executive. These two qualities suggest a need to appoint an individual with the record to reassure both the financial markets and IBM's staff that the group is now is strong management hands.

Mr Gerstner is generally well regarded on Wall Street. While his record at RJR is far from perfect good on financial engineering, mixed at market share and profits growth - American Express enjoyed good growth under his presidency.

He is, however, virtually unknown in the computer industry and to most of IBM's employees. whose trust he acknowledges he will have to earn.

 Inspires and motivates executive teams. This is an obvious quality for a business leader, but it may have been in short supply at IBM, with its layers of encrusted bureaucracy. Mr Gerstner has a good reputation for motivating his executives

 both by exhortation and financial rewards. His success at IBM will depend in no small measure on the team he selects to advise him.

Mr Gerstner also talks to people at all levels of a company. IBM employees often complain about the remoteness of 'the Armonk clique' of senior management at the company's New York state headquarters. The board's wish-list seems to lay no particular emphasis on one of the more popular ideas in management thinking - that of 'empow-ering' the workforce, devolving responsibility to workers right down the line and tapping them for their ideas on how a business should be run. One of the most forceful exponents of the theory is General Electric, which is often held up against lumbering IBM as an example of how a huge, diverse an example of now a nuge, inverse and technologically complex global business can stay quick on its feet.

• Making change happen; skilled at managing change; strong preference for experience and proven effectiveness in major turnaround or restructuring situations requir-ing a cultural change.

This group of characteristics reflects the increasingly popular idea that the best way to shake up the entrenched culture of a business may often be to bring in a radical 'change agent' from outside.

A prime example is General Motors, the US car group which has been brought low by many of the same problems as IBM - in particular, bureaucracy and complacency hed by too much past success.

Probably the most powerful singl agent of cultural change at GM North America over the past year has been Mr Jignacio Lopez de Arriortua, an idiosyncratic, Spanish parts purchasing manager brought to Detroit from GM's European operations.

He infuriated the supply industry by demanding big price cuts and lecturing companies (including GM subsidiaries) on ways to improve their manufacturing methods. Volkswagen, the west German car company, has just hired Mr Lopez to create a similar upheaval there.

The hard-driving Mr Gerstner has plenty of experience as a change agent, but his record is not without flaws. His task at flabby RJR, when he took over the helm four years ago, was to financially restructure ne heavily-indebted business, slash its fat and grow the business. He achieved the first two, but RJR still has a bost of problems, with its foods business growing slowly and a loss of market share in tobacco.

Still, only a handful of chief executives around the world would stand a chance of qualifying for the IBM wish-list. And if the phrase 'infallibility essential' was added to the list, the number would immedi-

When it comes to the crunch

Christina Lamb on moves to reduce road accidents in Brazil

nyone who has experienced Brazilian roads and survived can appreciate why the country holds the world record for traffic accidents. Driving licences are more often bought than earned. The results are predictably gruesome -55,000 deaths per year - as many as if a Boeing 737 dropped out of the sky every day. This daily carnage is also a

costly headache for Brazilian industrialists who rely heavily on road freight to cover the country's continental proportions and few of whom have insurance because of its extortionate cost. Omar Car-neiro Cunha, president of Shell Brasil, says: "We have 3,300 trucks and cars driving millions of miles on some of the most hazardous roads in the world, so the risks are enormous.

As many Brazilian executives are discovering, road accidents form a large component of busi-

Yearly losses through traffic accidents are estimated at \$1.5hn (£1bn) and rising. Moreover, although the state of Brazilian roads is appalling after a decade of no investment, government sta-tistics show 85 per cent of traffic accidents are through driver fault and thus avoidable.

An increasing number of companies is consequently including as an essential part of restructuring, defensive driving programmes for truck drivers, (both in-house and contracted), salesforce and personnel in general with speciac-

"The pay-offs are tremendous." says Cunha, pointing out that Shell has halved the number of avoidable fatalities per 100m km driven since launching a road Safety programme in 1987.

The strategy is simple and costs little. At Shell, a safety department was set up and consultants brought in to develop a short training course. Tarcisio Mosci. who runs the programme, explains: "However good your hardware, there is a number of accidents caused by software so rather than focusing on the lorries we focused on people." A specially

CONSTRUCTION CONTRACTS

produced video shows drivers the normal daily chaos on a Brazilian highway in graphic detail. enabling them to recognise all the errors they themselves make. "Monitor drivers" were

appointed, each responsible for 30 motorists. A list of 30 points was compiled to be checked before set ting off, and all drivers underwent eye-tests. Quality groups were created for drivers and Shell repre sentatives to exchange ideas involving senior executives to demonstrate the importance of the scheme. More than half the trucking companies contracted by Shell were sacked because they did not come up to scratch.

Some 800 drivers per year pass through the course, which has cut the number of avoidable fatalities from 15.6 per 100m km driven in 1987 to 7.8 by 1991. To improve on this. Mosci is setting up a programme focusing on speed control and based at regional centres, siming to reduce the figure by a further 50 per cent by the end of

The reduction in costs is consid erable, given that Mosci estimate that even under the improved fig ures, Shell and its contracted com panies spent \$10m on accident costs last year. Moreover, he adds When you can control risk in a situation as adverse as Brazil's traffic climate, then you have good management in general."

A similar programme has been der way since 1990 at Herins Textile, Brazil's leading textiles manufacturer, reducing losse through accidents by more than half to \$50,126 a year.

Osvaldo Lopes, risk manager for Herco, the Hering Group's in-house insurers, which developed an eight-hour programme that more than 2,000 employees have attended, explains: "The problem in Brazil, aside from the dreadful roads, is that most drivers have not been taught."

But both Lopes and Mosci admit that there is a limit to how much they can achieve in reducing accident costs without a national campaign to improve road safety awareness among Brazil's 15m

PEOPLE

Oil men move to top of Lloyd's Register

The traditional hold of shipowners in the running of Lloyd's Register, the world's oldest ship classification society, has been broken after more than 200 years.

Patrick O'Ferrall (right), 58, the new chairman, and Tim Jones, 48, the deputy chairman, both hail from the oil industry. O'Ferrall joined the register in January 1991 after 32 years in the oil industry and has been acting chairman since the death of Sir Roderick MacLeod, a former managing director of Ben Line, in January. Jones, who has spent 23 years with BP,

joined in February.

Although O'Ferrall says that it will be "business as usual", the appointment of two oil industry men with substantial international expertise suggests that Lloyd's Register, like the rest of the maritime industry, is being forced to adapt to increasingly competitive conditions.

Fine balance



The decline in the profitability of the shipping industry and competition from rival ship classification societies has made life difficult for Lloyd's, which is committed to maintaining high technical stan-dards of design. "The days when a ship's captain saluted the Lloyd's surveyor at the top of the gang-plank are long since gone," one master mariner said yesterday. Costconscious shipping companies are much more likely to question the surveyor's judgment or threaten to shift their fleet to another classification society.

Lloyd's, a non-profit making organisation with 3,700 staff and more than 250 offices worldwide, is still the biggest in the world - classifying more than 8,500 ves-sels, or around 90m gross tonnage. How-ever, its percentage of the world fleet has been slipping and it has been diversifying

into other areas. O'Ferrall started with Iraq Petroleum in 1958 and joined Total CFP in 1974; he was responsible for co-ordinating the £1.5bn Alwyn North project. Tim Jones, a former director of BP Oil Europe, has also had considerable experience of large-scale proj-

ect management. Although Lloyd's normal retirement age is 62, O'Ferrall says that he will serve a five-year term until June 1988.

Finance moves

at NHS Trust The allocation of top jobs at Guy's and St Thomas' hospi-tals, which are combining to form the biggest National Health Service trust in London, shows a fine balance between the two ancient institutions. This follows the appointment earlier this month of Tim Matthews, St Montagu since 1984. Thomas' chief executive, to

head the new organisation. Michael Maisey, consultant in nuclear medicine at Guy's, and Tony Young, consultant surgeon and director of surgery at St Thomas', will jointly hold the post of medi-cal director on the new board. John Pelly, finance director of St Thomas', will be the new McClean: 'I just love newspapers'

3i and Rank Xerox before joining the public sector. The post of project director goes to Karen Caines, currently general manager of Guy's. Before taking up the Guy's job in 1991, she headed the Department of Health implementation unit responsible for introducing the NHS reforms. Before that Caines was deputy head of the 10 Downing Street efficiency unit where she was co-author of proposals leading to the establishment on Next Steps agencies, delivering services at arms-length from government ■ Gabriel Scally, director of public health in Belfast, has been appointed to a similar position with South East Thames regional health authority, one of the four regions covering London and

the home counties.

finance director. He worked at

The integration of the Midland and Hongkong Bank invest-ment banking businesses looks likely to be accelerated following the news of a new chairman for Samuel Montagu. Bernard Asher has been appointed to the board and will take over as chairman on April 9, succeeding Sir Michael Palliser, the 70-year-old former permanent secretary at the Foreign Office who has chaired

Asher, who started out running Hongkong Bank's Ward-ley investment banking business, has already pushed through mergers between some parts of Wardley with James Capel, the UK-based broker which he has also chaired for



the past two years. Samuel Montagu remains, legally, a subsidiary of Midwithin the HSBC group's investment banking operation. Sir Michael is to remain on the board as vice chairman.

■ Richard Jewitt, Alan Lynch and Gordon Williamson become northern region directors of BARCLAYS MERCANTILE BUSINESS FINANCE. Shanti Sen has been

appointed a director of BZW Property Advisory Group; she moves from SG Warburg. John Kllis, formerly md of Crown Unit Trust Services, has been appointed finance and administration director of NEW DIRECTION FINANCE and NDF ADMINISTRATION. ■ Isobel Hunter and Harry Morgan have been appointed directors of ADAM &

MANAGEMENT. Ross Andrews has been appointed director of ALLIED

land, but in management terms now falls squarely COMPANY INVESTMENT

Richard McClean, who is due to become chief executive of the International Herald Tribune in July, had been planning to leave the newspaper

industry this summer. The deputy chief executive of the Financial Times, who has worked at the paper for 38 years, had decided to retire from the business, accept a number of non-executive directorships and take on something entirely knew.

But when he was approached by the co-chairmen of the international newspaper -Katherine Graham of the Washington Post and Arthur Ochs Sulzberger - of the New York Times the temptation was too great. "I just love newspapers.

That's the problem," says



McClean, 55, who joined the FT straight from school selling advertising from the paper's Birmingham office. Apart from two years in the Welsh Guards, he has worked on the paper ever since.

He will succeed Lee Hueb-

ner, who has been publisher of the IHT since June 1979, and announced his intention to leave last September. McClean was involved in the decision to turn the FT into an

international newspaper with overseas printing sites. He believes that the process should continue; the IHT, he points out, is probably the most widely available international newspaper. The owners of the IHT, the New York Times and the Washington Post, he says, are "outstanding publishers with extensive financial resources and a strong commitment to highquality publications". And as the deputy chief executive of the FT, newspapers at the top end of the business are some thing he understands.

£28m work for Mowlem



An artist's impression of the proposed apgrading of Manchester Crown Courts in Minshall Street

build Coppice Junior School,

Oldham, for Oldham Metropoli-

MOWLEM NORTHERN has won more than £28m worth of new work in the north of

Mowlem's Manchester office has won the first phase of a £13.5m project to extend and upgrade Manchester Crown Courts for The Lord Chancel-

tan Borough Council and a £582,000 contract to build a Co-op store at Cheadle, south

lor's Office, a £1.1m contract to a contract worth nearly 211m for new teaching and medical blocks at Hope Hospital, Salford.

The project consists of two linked, three-storey medical and patient accommodation The North West Regional blocks and a two-storey univer-Health Authority has awarded sity teaching building.

Trans West African Highway scheme

Environmental and engin Nigeria in the south. eering management consultant WALLACE EVANS has been design for the rehabilitation of awarded two contracts in Sierra Leone and China with a total construction value of

The Government of Sierra Leone has appointed Wallace Evans for the £16m improvement of a 120 km section of the Freetown to Conakry highway the principal link between Guinea and Sierra Leone and gateway to the economically vital port of Freetown.

The road is part of the strate gically important Trans West African Highway that runs from Morocco in the north to

the 30km section between Massiaka and Rogbere and the design of a new road between Pamelap on the Guinea/Sierra Leone border and Farmoreah in Guinea Tender documentation for 74

km of new road between Rogbere and Pamelap, the design of which was completed in December 1992 by Wallace Evans under an earlier commission, is also included in the EC-funded study.

The superstructure for a £6.5m cable making factory in China is to be designed by the

Wallace Evans firm. Construction work is due to start shortly on the 200,000 sq ft building, located 10 miles from Bejing. The project is a joint venture between the Chinese government and a South

Korean cable and wire manufacturing company.
Wallace Evans has designed the single-storey steel superstructure to withstand earthquakes. Staff undertook a detailed study of Chinese regulations, which took account of the climatic regional variations, followed by complex computer calculations to assess the stress the building

Office development project in York

WIMPEY CONSTRUCTION'S northern region has been awarded a £13m contract to design and build an office development for the Foss Development Corporation in

York. Known as The King's Pool, the project is situated on a three acre site close to the city currently under construction. centre, fronting the inner ring road and the River Foss. 300 local jobs and relocating

300 other staff from its offices When complete in autumn in the south east of England to next year, The King's Pool will house 600 administration staff Wimpey's work involves the from the Ministry of Agriculconstruction of 140,000 sq ft of ture Fisheries and Food office accommodation in three (MAFF). The civil servants will

buildings and a three-storey provide support services to car park. Wimpey will also fit out the offices for MAFF. MAFF's central science laboratory in Sand Hutton which is Project manager for the is Bishopthorpe The department is creating scheme

Bucknall Austin active

BUCKNALL AUSTIN has recently landed four German project management or quantity surveying commissions on projects collectively valued at more than 560m.

At Bucknall Austin's German subsidary, Day & Grigg GmbH, new commissions

include: A new multi-level shopping centre in a converted listed building in Dresden valued at about DM40m (£16.5m) where Day & Grigg GmbH is sole consultant covering project management, costing and design co-ordination.

 A 200,000 sq ft district shopping centre outside Cologne where Day & Grigg GmbH is providing project management and quantity surveying ser-

• A 40,000 sq ft speculative office and apartment building in a prime location in Berlin is scheduled to commence in

■ A DM20m (£8.3m) office and apartment scheme in Frankfurt for which the firm has been appointed as project man-

Water treatment

TRAFALGAR HOUSE WATER PROJECTS companies, Trafal-gar House Construction and John Brown Engineering, have been awarded an £11.5m contract to replace three water treatment plants for the Strathclyde Regional Council They are in the south Glasgow area, at South Moorhouse, Neilston and Picketlaw, and will be capable respectively of supplying 7m, 4.1m and 10.4m litres daily.

RAF headquarters

TILBURY DOUGLAS CON-STRUCTION has won orders worth £20m. The Ministry of Defence has appointed Tilbury Douglas as project manager for a 25m headquarters building at RAF High Wycombe. The building will provide office facilities for defence staff, together with auditorium and conference rooms with simultaneous translation facilities. The London Borough of Isling ton has placed a fam order for general improvement works at the Packington Estate.

Blood Wedding

1.4_{ex}

الحك المناسطة

The new European Bank in London has a building to live up to, writes Colin Amery

he spirit of eastern promise

ook East seems to be the motto of the moment. The inauguration last week of the headquar-Reconstruction and Development, in one of the recently completed office buildings of Broadgate, confirmed the success of that development which has so effectively extended the City of Lon-don to the east of Liverpool Street. Can it be a simple coincidence that the approach to the entrance of the bank on Exchange Square from the station is an elegant route called Great Bastern Walk? The role of the bank is to foster development and democracy in the newly liberated countries of eastern and central Europe, and as Mr Jaques Attali, the inspiring president of the Bank, said at the inauguration, "Europe is awakening to the east." In the same week Michael Howard, secretary of state for the environment, annou proposals for the development of an East Thames Corridor along the marshy and polluted banks of the Thames from Beckton to Sheerness. The question of how best to awaken London to the east is almost as difficult a question as how to achieve the rejuvenation of eastern Europe

ARCH 29 1993

ves to

n Brazil

shows drivers

baos on a hadis graphic detail to recognise all to mselves make. drivers

responsible for a

cof 30 points was checked before salidrivers underseased by groups were or and Shell rome. exchange idease for executives

ior executives

e importance of the

contracted by Sie

cause they did or

arse, which has co avoidable stalific

100m km driven

1991. To improve

setting up a pro-

regional centre

n in costs is considerate Mosci estimate or the improved by

its contracted on

\$10m on accident Moreover, be add

control risk in

dverse as Brazily

e, then you have

ent in general.

ogramme has be ice 1990 at Her

reducing lone

ats by more the

S. risk manager (

n 2,000 employee i, explains: 📆

izil. aside from 6 , is that most on een tanaht."

es and Mosci aim

limit to how und

we in reducing an

out a national co

PROTE TORG Sabe

long Brazil's 14

eknall

LL AUSTIN ME

anded four Germi

magement or que

allectively valuable

idary Day & Ga

new commission

multi-level shoping

a converted lists

Fire-dea valued s

11'm (£16.5m) she

ig GmbH is swift

vering project out

costing and desp

A) Sq ft district she

re untside Colors & Grier Countils

project management (if) surveying a

o se it speculain murment buiss ionation in Berins

to commence a

221 (£2.3m) office

scheme in Fred

nted as project and

treatment

AR HOUSE WARD

Construction as a Engineering of the Engineering three rate plants for the England Count of the England Count of the South Moorboas South Moorboas South Moorboas and Pickellas as and like respectively and like the south Moorboas South Moorboas South Moorboas South Moorboas and Pickellas as and like the south Moorboas Moorboas

adquarters.

Adquarters
DOUGLAS (the North Mass was one)
In The Munior of the Woodle of the Munior factor of the Munior factor of the Woodle of the Munior factor of the Munior factor of the Woodle of the

26000 small Austin's G

ruig commissions a

Hering Group rers, which dead t-hour programme

a year.

cent by the end

atch, ivers per year par

> The importance of the European Bank and the wonder of it being in the City of London was underlined in a very positive speech by HRH The Prince of Wales when he inaugurated the new headquarters. He praised the decision of the bank to establish a new European Cultural Fund and took the opportunity to announce his own joint initiative with President Havel of the Czech Republic to create a Prague Heritage Fund for the restoration of some of the buildings, monuments and gardens of that remarkshie city.

All this noble rhetoric seemed well grounded because it was issuing forth' in the fine new halls of what Mr Attali called, "the first pan-European institution of the post cold war era". If the actual architecture of the interiors of the new bank is anything to go by, the new Europe promises to be both cultur-



Inventive interior: columns are clad in rough metal casings

entrance level with an exhibition area

will be open to the public. (Its first big exhibition will be a display of religious

masterpieces from the State Museum of

Secred Art in St Petersburg, opening in

A large auditorium will house confer-

ences and lectures and will also be the

setting for a series of cultural events aponsored by the bank. A line of flags of member countries leads to the dra-

matic false perspective on the way to

vertically. New internal stair-cases have been installed to encourage easy communication between the

departments that work together to

avoid dependence upon the well used

lifts. The smaller top three floors house

the president's office, the boardroom

and the executive dining and meeting rooms. Many of these have remarkable

views over Spitalfields and east Lon-

don. Looking down on the immediate

neighbourhood of the former Spital-fields market, which is dominated by the magnificent tower and spire of

Hawksmoor's Christ Church, it is hard

to resist the idea that this should

become the newest residential area of

The 12 floors of offices have been planned to relate to one

another both horizontally and

the staff resimurant.

ally stimulating and incredibly chic.

The architects for the interior of the building are an Anglo-French design team, a partnership of Berthet et Pochy and Sidell Gibson. They have achieved the remarkable feat of fitting out in record time a building designed by the American architects Skidmore Owings and Merrill for developer Mr Stuart Lip-ton (in his Rosehaugh Stanhops days). Broadgate development. What struck me as particularly exciting was the way they have completely transformed the whole idea of a banking environment. Their brief from the president was to give a visual rendering of the diverse nature of this international institution while making it possible for the open teamwork of the operation to function emcantly.

The result is no cold and clinical routine set of offices but an open and sparkling world with inventive spatial planning and an atmosphere that is visually stimulating. The tone is set by the entrance hall - a great mirrored space linking the Bishopsgate and Exchange Square entrances. The ceiling is mirrored to reflect the marble floor and the hewn slahs of Carrara marble that have been placed between the lifts. There are plans for a video wall and a piece of the Berlin Wall to be at the Exchange Square entrance. The cafe at the

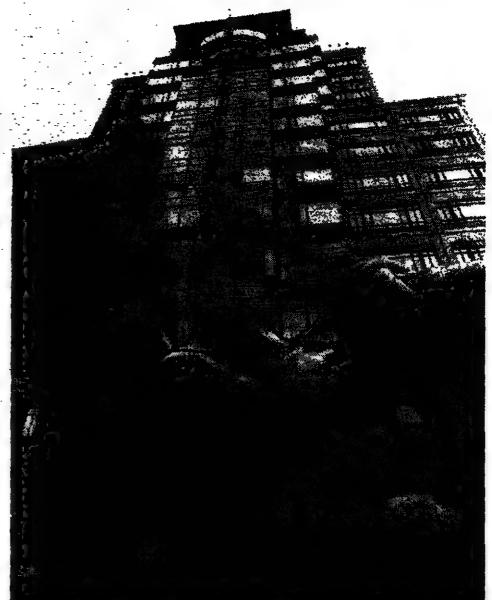
ful light sycamore furniture from the British firm of Gordon Russell. Meeting rooms are circular with red doors all named after the rivers of Europe. Tea and coffee areas are screened by glass panels etched with entertaining designs. There are some enjoyable jokes in the bizarre conical and pyramid signposts and the signs in the lobby areas which are engraved in reverse and look Cyrillic until you read them the right way round in the mirrored ceiling. When columns appear in large open spaces they have been dramatically clad in very tactile rough metal casing

the City instead of another sea of offices. Residential developers - look

ast. The main office floors have a rather

The top floors have a restful and simple quality — the emphasis here is on the quality of the materials and the display of some of the benk's art collec-tion. The dining rooms bear the names of European composers and some will display memorabilia associated with the composers. Semi-precious stones from the Urals, artefacts from eastern Burope, paintings and sculptures com-bine to give the new offices something of an international intellectual content. The Italian government have given a series of Piranesi engravings, the devel-opers have given the brilliant lion sculpture by Jane Ackroyd. A giant fresco by a Russian, Polish and French group of artists will shortly be unveiled, and a sculpture by Cesar has already been lent by the artist. The high quality and the originality of the commis art works have already given this new building a unique and distinguished

The European Bank is indeed welcome in London as a crucial and inventive catalyst for the new Europe. If the creative atmosphere of culture and commerce, which is so evident in the new headquarters, is indicative of its approach to the rejuvenation of for-



merly communist Europe then the future in the east will indeed be bright. A bronze statue by Fernando Botero marks the approach to the European Bank

Theatre

Blood Wedding

Blood Wedding (1933) is the earliest of the "Spenish Earth" trilogy by Frederico Garcia Lorca (1898-1986), preceding Yerma (1934) and The House of Sernarda Alba (1935). Its vio lence is wedded to a surrealism that connects Lorca and his other work to the wider influspecific influences of his friends Salvador Dali and Luis

The Lyric Hammersmith (with Odyssey Theatre) has now staged a fine, powerful and unsettling production of the play by balancing its tragedy and surrealism Lores wrote Blood Wedding

from a 1928 newspaper report of a Granadan bride who eloped with her lover on the wedding night. Her family pursued them; the groom and the lover killed each other. Behind the violence lie old family vendettas, and above it surreal preternatural forces: blood. death, time. Garcia Marques used the same resonant themes in Chronicle of a Death Foretold, set in a small Colombian

The strength of the Odyssey Theatre's Blood Wedding comes from its collaboration with Cumbre Flamerica. The music and dance fill out the concentrated action on the large stage at the Lyric. The flamenco brings mystery and intensity as well as authentic



Powerful and unsettling: Rosalind Bennett and Patrick O'Kane in Blood Wedding

"cante jondo" (deep song), sadness and joy in a poised hand or a turned head. Isn Davies' fine guitar accompaniment creates the atmosphere, conturing a hot July in Granada from a

cold March to Hammersmith. The play's surreal second part, where Death and the Moon preside over the bride and her lover, is beautifully handled by Helen Turner design and Peter Mumford's lighting. The naturalistic hocienda interior of the opening gives way to a vertiginous effect with columns of light and falling sand, as if the stage itself was dropping away from gravity and reality towards the strange benediction and

Nigel Jamieson's direction lets each of Lorca's tense, unfluished scenes engender the next, so the play develops rhythm and pace. The balance of a Lorca scene can change quickly, so pared down is the writing. He wrote strong parts for women, and the actors here respond well. Frances Tomelty (substituting at short notice for Sofia Kalinska) as the groom's mother is a stern, terse woman in a hard world, the crack in the strong voice with "My tears will come when I am alone." Opposite her, Rosario Serrano as the Mother-in-Law

moves easily and expertly between song, dance and speech; and Rosalind Bennett

is a urim bride in black, a sexy lover, and a desperate fuzitive However, the patchy translation misses Lorca's visceral expression. "Aren't you happy with so many riches heaped upon you?" looks mannered alongside the bleak picture of marriage elsewhere: "A man, some children and a wall two feet thick. Nothing more."

Andrew St George

Lyric Theatre, Hammersmith until April 17 Yet in the event, their differConcert/Andrew Clements

Stravinsky and Janáček

Stravinsky's Symphony of Psalms and Janáček's Glagolitic Mass compare and contrast wonderfully in a choral programme. It is not just the juxtaposition of a great composer with a lesser light, nor the devoirt expression of faith of a gnostic against the instinctive numanism of a confirmed atheist. These two pieces written just four years apart (the Jana-ček first in 1926) provide vertiginous differences of approach - the symphony's ste discipline, the Glagolitic's freely associating explosions of emotion – it is often hard to believe they are such close contemporaries. On Saturday the latest

instalment of "Towards the Millennium" brought the two works to the Festival Hall with the City of Birmingham Symphony Orchestra and its Chorus, conducted by Simon Rat-tis. Both were intense, vivid performances - representing the very best of Rattle one is tempted to say - with the Chorus, singing the mass from memory, wonderfully prepared and ready to respond crisply to every nuance. If anything it was the Stravinsky that emerged the more freshly minted; Rattle sifted and racy, untangled the fugal knots son) and bass (Stephen Richof the second, and gave an ardson) an easier rid

Apollonian elegance to the repetitions of the third. The exuberance of the Janaček was captured in a very different way, with saturated orchestral splendour - bold, abrasive brass, high tensile strings, explosive organ solos from Thomas Trotter - and a willingness to play for high expressive stakes. Moments of over-exuberance sometimes threatened to overwhelm the soloists, but Faye Robinson's soprano, a-quiver with fervour,. and John Mitchinson's stentorian tenor usually survived, graded the textures of the first while the textures generally movement with pinpoint accu- gave the meszo (Ameral Gun-

The orchestra had begun with Schoenberg's Variations for Orchestra Op. 31. Rattle steered a lucid course through its structural intricacies, making perfect, elegant sense of the variations themselves and bringing a real sense of mounting drama to the finale, as one development section collapses in on the next. Every particle of the instrumental playing was alive, sharp etched; it was just the gripping prelude, though, to an evening that was outstanding in every

> Royal Festival Hall; final London concurts tomorrow and Thursday

When the Wigmore Hall advertised a recital of Russian two-piano music by Dmitri Alexeev and Nikolai Demidenko for last Saturday, some of their fans may have felt anticipatory thrills. But cyni-cal old hands like me had their doubts. Part of what makes a successful virtuoso is a sinele-minded determination to catch the ear; such performers usually collaborate more easily with other instruments than with their own kind. Besides, Alexeev and Demidenko would seem less than a natural match. Where intense feeling and spontaneity characterise the one, the other cultivates

Recital/David Murray

Russian piano duo

ences were all but submerged all; and a tingling account of in a shared passion for their the brilliant Second Suite was native repertoire.

Though the occasion for the concert was the 50th anniver-sary of Rakhmaninov's death, there is not quite enough two-piano music by that composer, fortunately, to fill a programme. That made a good excuse for jettisoning his Suite no. 1 and adding some unfamiliar Mediner, and a chain of Schubert waltzes as arranged by Prokofiev. But Rakhmaninov carried the evening after

certainly the crown of it. His early Russian Rhapsody (1891) was at least interesting

for its debt to Balakirev and Borodin, St Petersburg nationalists whose echoes were more often suppressed in Muscovite products such as Rakhmaninov's or Skryabin's. In the twopiano version of the Symphonic Dances (1940, very late), some quirks in the harmony sounded less plausible than in their opulent orchestral dis-

guise. Still, with playing of such devoted expertise one could only sit back and enjoy. Here and there, when Demidenko had an "accompanying" role his awesome authority made him rather too prominent, and in some prestissimo digital passages Alexeev audi-bly scrambled. No other quibbles but to remark that biological piano duos - the Kontarskys, the Contiguglia twins, the sisters Labeque and Pekinel - have set a standard of eerie unanimity that few other pairs can reach. Here, at phrase-ends and paragraph closes, Alexeev and Demidenko were regularly a fraction of a second apart they just are dif-



BERLIN

OPERA/DANCE Deutsche Oper The main event this week is a revival of Carmen on Wed starring Agnes Baltsa and Neil Shicoff (also April 5, 12, 18). The repertory also includes II trovatore tomorrow, Valery Panov's production of Prototley's ballet Cinderella on Thurs: a ballet mixed bill with choreographies by Michael Clark, Stephen Petronio and Bill 7 Jones on Fri and Madama Butterfly on Sat. Peter Schaufuss production of Giselle receives two performances on Sun (341 6249) Stantsoper unter den Linden Antonio Pappano conducts the first night of Giulio Chazalettas' new production of I Capuleti e I Montecchi on Fri, with a cast led by Lella Cuberli, Iris Vermillion and Vicente Ombuena (repeated April 5,7,11,14). Other events this week include the Nursyev production of Sleeping Beauty tomorrow and Thurs, Alde on Wed and Sat with Mara Zampierl and Giordo Zancanero, and Maurice Béjart's new ballet production on Sun. April 8: Thomas Hampson song recital (200 4762)

Komische Oper Tonight: Le nozze di Figaro. Tomorrow, Sun, next Mon: new production of Flemming Flindt's ballet The Three Musketeers. Wed: Bertered Bride. Thurs: Cosi fan tutte. Fri; Cav and Pag (229 2555). CONCERTS Schauspielhaus Tonight: Heinz.

Rögner conducts Berlin Radio Orchestra in Mahler's Seventh Symphony. Also tonight (Kemmermusiksaal): Kathleen Battle song recital Wed: Daniel Nazareth conducts MDR Symphony Orchestra in works by Beethoven and Bruckner, with pieno soloist Justus Frantz. Sat, Sun, next Mon: You Levi conducts Berlin Symphony Orchestra in works by Beethoven and Bruckner, with plano soloist Christian Zacharias (2090 2156) Philiharmonie Tonight: Hiroshi Wakasud conducts Berlin Radio Symphony Orchestra in Messiaen's Turangalia Symphony. Sat: Mischa. Maisky is callo soloist in a Schumann concert by RIAS Youth Orchestra, Sun: Dvorak's Stabat Mater (2548 8232)

THEATRE Alfred Kirchner directs Peter Turrini's new play Alpengiühen at spark Theater (793 1515). Schiller Theater's repertory includes Katharina Thalbach's new all-male production of Shakespeare's As You Like it (312 6505): Deutsches Theater has The Iceman Cometh, Eugene O'Neili's majestic play about pipedreams gone sour, in a new production directed by Rolf Winkelgrund (2844 1225). German production of Howard Brenton's Berlin Bertie (2844 1226).

Ariel Doriman's moral thriller Deeth and the Malden opens at Renalssance Theater on Sat, directed by Gerhard Klingenberg (312 4202). The world premiere of a new musical about Mariena

Dietrich opens at Theater am Kurfürstendamm on April 7 (251 Tickets and information for

theatre, revues, concerts and nightclub shows available from City Center Theater und Konzertkasse Kurtürstendamm 16 (tel 882 9583 fax 882 6567) and Theaterka im Europa-Center (tel 261 7051 fax 261 9286

NEW YORK

THEATRE Candida: Shew's play directed by Gloria Muzio. Just opened (Roundabout, Broadway at 45th St. 869 8400)

 Fool Moon: Bill Irwin and David Shiner are the inspired clowns in a much admired show (Flichard Rodgers, 226 West 48th St, 221 1211) A Couplé of Blaggards: actors

Frank and Malachy McCourt reminisce about their trish childhood (Irish Arts Center, 553 West 51st St. 757 3318) Oleanna: David Marnet's

powerful new play which stirs ideologues (Orpheum, 126 Second Ave at 8th St, 307 4100) The Sisters Rosensweig: Wendy Wasserstein's new play about the reunion in London of three American lewish sisters (Ethel Barrymore, 243 West 47th St. 239 6200) Forbidden Broadway 1993:

Gerard Alessandrini's latest

collection of Broadway parodies

is as funny as its predecessors (Theatre East, 211 East 60th St. 838 9090)

Someone Who'll Watch Over

perfection with forethought.

Algonquin Hotel Westia Whitrield Me: Alec McCowen as one of three Beirut hostages in Frank McGuiness' moving and humorous play (Booth, 222 West 45th St, 239 8200) OPERA/DANCE

Metropolitan Opera Tonight and Frit Lucia di Lammermoor with Sumi Jo and Alfredo Kraus, Tomorrow: James Levine conducts Die Walldire with Gwyneth Jones, Mechthild Geesendorf, Gary Lakes and James Morris. Wed and Saf: La traviata with Tizzena Fabbricini and Nell Rosenshein (362 6000) Statu Theater Sun Francisco Ballet

begins a week-long residency tomonow with Helgi Tomesson's production of Swan Lake, followed by three mixed-repertory programmes including Bindey's The Sons of Horus, Forsythe's in the middle and Balanchine's Four Sessons. New York City Ballet's Spring season opens on April 22 (870 5570) CONCERTS

Tomonow's programme at Carnegie Hall is Bach's B minor Mass. Wed: Australian Chamber Ontweling with guitar sciolist John Williams. Fri: Hermann Baumann horn recitial. Sun: Jessye Norman song recital (247 7800) Sun afternoon at Avery Fisher Hell: Yelim Bronfman piano recital. The New York Philharmonic is on tour in Europe (875 5030)

JAZZ/CABARET Blue Note Tomorrow till Sun: Maynard Ferguson. Next week: Tony Williams Quintet, Showtimes 21,00 and 23.30. Dining (131 West 3rd St, 475 8592)

Selfroom Dave Frishberg opens a residency tomorrow. Restaurant/ tapes bar (253 West 28th St, 244

begins a month-long run tomorrow in the Oak Room. Dining (59 West Michael's Pub Mickey Rooney is currently making his cabaret debut here (211 East 55th St, 758 2272)

PARIS OPERA/DANCE

Châtelet Tonight: final performance of Barenbolm/Chereau production of Wozzeck (4028 2840) is Gamier Tomorrow: final performance of Capriccio starring Felicity Lott. Next week: Compagnie Preljocaj (4742 5371) Opéra Bastille Wed: Benvenuto Cellini with Chris Merritt and Diana Montague. Frl: Faust with Francisco Araiza, Barseg Tumanian and Nelly Miricloiu. Next Mon: revival of Bob Wilson's production of Die Zauberflöte (4001 1616) Théâtre de la Ville Compagnie Christine Bastin presents two Bastin choreographies, daily from tomorrow till Set (4274 2277)

Théâtre des Champs Elysées Tonight: Kurt Masur conducts New York Philiharmonic Orchestra. Tomorrow: Sandor Vegh conducts Camerata Academica in symphonies by Mozart and Schubert, Thurs: van Fischer conducts Orchestre National de France in works by Prokofiev and Bartok, with plane soloist David Lively (4720 3637) Châtelet Wed lunchtime: Elena Bashkirova piano recital. Wed evening: Daniel Barenboim plays

Schubert. Thurs: Fine Arts Quartet. Fit: Jordi Savall plays Spanish early music. Sun afternoon: Ensemble InterContemporain plays Bartok and Berg. Next Mon: William Christie directs Les Arts Florissants in motets by Guillaume Bouzignac

(4028 2840) JAZZ/CABARET Lionel Hampton Jazz Club Ann Peebles, voice of St Louis soul music, daily titl Sat. Music from 22.30 (Hotel Meridien Paris Etolie 81 Boulevard Gouvion St Cvr. 4088

Châtelet Auditorium Tomorrow: Hank Jones Duo. Wed: Stanley Cowell Trio (4028 2840) THEATRE L'Homme qui: Peter Brook's

latest theatre piece, adapted from the book by Oliver Secks (Bouffes du Nord 4607 3450) John Gabriel Borkman: Luc Bondy's Ibsen production (Theatre national de l'Odéon 4441 3636) Il Campiello (Fin d'été à la

campagne): a Goldoni bicentenary production of the play he wrote five years before his 1761 Country trilogy. Till May 6 (Théâtre 14, 20 rc Sangnier 4545 4977) ART FAIR

Salon de Mars the annual en market at Champ de Mars opens on Wed and runs till next Mon. Held under a vast tent covering 10,000 square metres, it offers an eclectic choice of antiques, contemporary works and primitive art, disregarding the compartmentalisation of the

* A 24-hour recorded telephone guide to Paris entertainments is available in English by dialling 4720 European Cable and Satellite Business TV pean Time) MONDAY TO THURSDAY

ferent musical animals.

Super Channet: European Business Today 0730; 2230 Monday Super Channel West of Moscow 1230. Super Channel: Financial Times Reports 0630 Wednesday Super Channel: Financial Reports 2130

Thursday Sky News: Financial Times Reports 2030: 0130 Friday Super Channel: European Business Today 0730; 2230

Sky News: Financial Times Reports 0530 Saturday Super Channel: Financial Times Reports Sky News: West of

Moscow 1130: 2230 Sunday Super Channel: West of Moscow 1830 Super Channel: Financial Times Reports 1900 Sky News: West of Moscow 0230; 0530 Sky News: Financial Times Reports 1330; 2030

Arts Guide Monday: Berlin, New York and Paris. Tuesday: Austria, Belgium, Netherlands, Switzerland, Chicago, Washington. Wednesday: France, Germany, Scandanavia. Thursday: Italy, Spain, ithens, London, Prague. Friday: Exhibitions Guide.



when data transmission has become

world financial centres are still PERSONAL concentrated in tiny areas of Manhattan and central London? Why is entertainment such a central ele-

ment in Japanese business culture? Why is it that the way to revive the British motor industry is to shut down most of its traditional plants and re-start on greenfield sites? Why are the most successful parts of Italian industry based on local networks of small, co-operating companies? And how did banks manage to lose quite so much money in the past two The answers to all these questions are to be found in

the different styles of business contracts and relationships that companies employ, and in the ways these depend on history and social environment. Long-term contracts are needed when parties need to make a substantive commitment to the relationship. A company needs to fit out an office to its specific needs; a sub-contractor needs to tool up for a particular component; an effective professional adviser needs to invest in knowing his client. No one will make these commitments on the basis of spot contacts alone.

One possibility is to make a classical contract - a binding agreement which specifies what will happen in every foreseeable contingency. That is how we rent property. But is has disadvantages. Not all con-tingencies are foreseeable. And there are aspects of a commercial relationship which the courts cannot, or will not, enforce. No contract can effectively prescribe for the full exchange of information or for flexibility in response.

There is a difference between the degree of co-operation which can be enforced by rules and the wholeheartedly concerted action of two individuals or two companies. It is the difference between a relationship with the local telephone company and the relationship with a marriage partner. We make a classical contract with

Why is it that, the former, we have a rela- der, is naturally hostile to i tional contract with the other. The relational contract will have a legal form (as the marinstantaneous riage contract does), but (as with the marriage contract) it activities with commercial does not incorporate the essential elements of the relationship. These elements are implicit, and are enforced, not by any legal process, but by the need of the parties to go on

doing business together. Relational contracts are important in business too. They are necessary in areas where information exchange is important and where quick and flexible responses are necessary. That is why they matter in the financial services industry, in fashion businesses and in industries which assem ble the products of a wide range of independent companies. They are the key to the competitive advantages of such companies as J.P. Morgan and Cazenove, Benetton and Chris-

There are aspects of a commercial relationship which the courts cannot, or will not, enforce

tian Dior, Toyota and Marks and Spencer.
Relational contracts involve

risks as well as rewards. Each party is exposed to the risk of opportunistic behaviour by the other and the only protection they have is the reputation of the other and the shared need for a continuing relationship. The ability to make relational contracts effectively depends on the environment in which the company is placed. It is easier to make relational contracts when the relational style is the norm, safer to do it with meone who has made many other relational contracts.

The Japanese business culture is naturally supportive of relational contracting and the familiar pillars of Japanese management systems, with their emphasis on seniority, their practices of lifetime employment and their networks of sub-contractors, are all part of that. The American environment, in which the penalties for opportunistic behaviour are very low and everyone has an attorney at his shoulItaly is at one European end of the other. Geographical concentration and linking of social ones is important. Opportunistic behaviour is more costly if it damages your social as well as commercial reputation.

Relational contracting is not all good. The features of Japanese and Italian life which make these types of business behaviour possible are also reflected in nepotism and political corruption. Life run by unwritten rules can be constraining on talent and inhibiting on innovation.

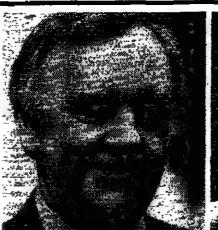
The US - an individualistic society founded on immigrants who had discarded many traditional values - provides the most innovative technical and commercial environment in world. It is also the most litigious society, and competi-tive advantages based on design and style, or on the sustained co-operation of a disciplined labour force, are mostly found elsewhere. There are business areas where relational contracting is appropriate, and others where classical contracting performs better; we need to know which is

Yet we may not have a choice. It is easier to move away from relational contracts than towards them. UK banks were ready to discard such contracts with their customers and employees in the pursuit of a more commercial, performance-oriented transactional style of business. They paid a high price, but they cannot now put these relationships together again. Nor could Longbridge and Cowley substitute the co-operative history of Toyota's plants for their own.

For many people relational contracts seem an old-fashioned way of doing business. in reality it is a style of commercial relationship which we dis-

John Kay

The author is professor of economics at the London Business School. His book, Foundations of Corporate Success, has just been published by Oxford Uni-versity Press, price £19.95









being privatised? This morning a private-sector organisation - with the blessing of the environment secretary, Mr Michael Howard will publish plans to promote London as a location for business and an international tourlat centre.

The proposals will be launched by London Forum, a private-sector initiative to provide the UK's capital with a shop window in which the city's wares can be set out to

The forum is a sister organisation to another private-sector body, London First, which aspires to provide the strategic thinking needed to maintain and enhance the reputation of London as a world-class city.

The organisations share a chairman, Grand Metropolitan's Sir Allen Sheppard, and a chief executive, Mr Stephen O'Brien, vice-president of Business in the Community. Both are attempts to fill the vacuum. left by the absence of an elected city-wide or regional body to represent London and to develop the strategic planning essential for a large city. A string of reports, from organisations such as the now-defunct National Economic Development Organisation. have repeatedly identified the absence of such a body as an impediment to improving London's competitive position as a

The absence of strategic planning is potently symbol-ised by the state of the capital's transport infrastructure. Indisputably, transport is one of the most important ingredients in making a city an efficient and agreeable place in which to live and work. Yet in London, public transport is perceived as overcrowded, unreliable, underfunded and overpriced; on the roads, only sion has stopped conges

tion from bringing traffic to

world city.

Too many bodies spoil the broth

John Willman and Richard Tomkins look at the duplication of effort in promoting London

inevitably, Londoners look to neighbouring capitals for comnarisons. When they do, they find London scoring badly. Paris, for example, may suffer even worse traffic jams than London, but Londoners can only stand in awe of Paris's commitment to public trans-

Not only is the Metro more frequent and reliable than the Underground, but three crosscity lines have been built since 1987, a fourth is under construction, a fifth is planned, and FFr?1bn (£8.9bn) is due to be spent as part of an expansion plan spanning the next 20

By comparison, investment in new transport capacity in central London has virtually halted. Road building has long been ruled out as a solution to the capital's transport problems, but little has happened to take its place. The bus fleet is ageing, the Underground system is decaying faster than it is being renewed, and apart from a short stretch of the Jubilee Line, only one new Underground line (the Victoria line) has been built since the

first world war. Central Londoners can only look with envy at examples of what the government can do when it tries. In the Docklands area on the capital's eastern flank, some £3.5bn is being spent on a co-ordinated effort to stimulate regeneration transport infrastructure.
And further east, the government is now talking of developing a linear city down the east Thames corridor stretching from Docklands into north Kent. This means further vast

sums will need to be spent on roads and railways outside the central area. To many, this looks perverse: a sort of transport equivalent of adding a luxurious new extension to a house whose roof is caving in. Last year the government sought to counter accusations

Investment in new transport capacity in central London has virtually halted

that it had no policies for transport in the centre of the capital by appointing Mr Steven Norris as minister for transport in London.

Mr Norris reels off a list of rojects that he says will transform London's public trans-port: CrossRail, the Jubilee Line extension, Thameslink 2000, the East London Line extension, the Channel tunnel rail link, the Heathrow Express, the Chelsea-Hackney line. And he rejects suggestions that Paris does things better: "This idea that everything is better across the Chan-

through hig improvements in nel is simply untrue."

The capital itself, however, seems far from convinced. A report published by the Corporation of London, the local authority for the City of London, earlier this month pointed

out how the decision-making process on new transport proects was split between a "staggering" number of government departments, quangos, borough joint committees, representative organisations and the London boroughs themselves. Once agreed, the report said, these projects then became subject to the vagaries of the national public expenditure control process.

There is little evidence that new central government arrangements have yet succeeded where earlier planning and governance systems failed," it concluded.

The creation of private sector bodies such as the London Forum and London First is seen as the way forward by the government. To back its efforts, a cabinet subcommittee on London, chaired by the environment secretary, was created last year to co-ordinate policy.

However, the creation of more bodies to promote the capital looks set to perpetuate the division of effort between disparate, sometimes overlapping and occasionally competing organisations, none of which can claim leadership. Aiready there has been some

tion over the duplication of effort created by the plethora of bodies. One of London First's pro-

jects, for example, is a study of London's economic competitiveness, under a group chaired by Mr Stuart Hampson, chairman of the John Lewis Partnership, the retailer. The corporation is almost halfway through a £1.5m study on the same subject by the London Business School, which is producing a steady stream of papers such as the transport one already published.

Similarly, the corporation cannot be a formal member of the London Forum, since Mr Howard excluded local authorities from membership. Yet the corporation is one of the few bodies in London which can provide substantial funds, staff and other resources for the

Mr Michael Cassidy, chairman of the corporation's policy and resources committee, sava that there is a danger that Londoners will be disappointed if the new body cannot launch its plans with an element of punchiness because it has no resources. They will be bringing "little new to the party", he says, except for added

However, such arguments over turf beg the bigger ques-tion as to whether it is appropriate for such important strategic planning to be left to private sector organisations without adequate resources.

London First, for example, is backed by some 40 companies, each of which has chipped in 25,000 apiece to fund its work. These sums are paltry in relation the amounts which would be needed to address London's underlying problems.

This privatisation of London's governance will only work if it opens the Treasury's purse strings. It has yet to be

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

A waste of energy

From Dr Andrea Haworth. Sir, in the FT of March 25 you carried an advertisement for British Gas entitled "If you need to complain it won't be a

waste of energy". The list of 90 general managers established in local offices last year is entirely male (with the possible exception of Laurie and/or Robin). I would like to complain about this - but I feel it would be a waste of

Andrea Haworth, centre for research on organisa cal change, Manchester School of Manage

PO Box 88, Manchester M60 1QD

Not wanting fool's gold

Sir, Here we go again. Not long ago, the west was backing one side in its desire to estab-lish a system which it pre-

Then it was Mikhail Gorbachev in the Soviet Union, now it is Boris Yeltsin in Russia. When is the west going to stop trying to impose its own sys-tem in other lands? The Russians must be fed up

- continuous promises of assis-tance and nothing forthcoming. Nothing, that is, except meddling in their internal Capitalism and democracy

will only ever become ingrained if the Russian people

themselves are committed and ways of life voluntarily. If they look at how capital-ism and democracy are functioning in other parts of the world they may not consider worthwhile the bardship which they have to undergo to get

The west should lead by example not by intervention. Until it does, when the time comes for people to look for bright turches to follow, they will by-pass the western fool's gold and prospect elsewhere. Onesimo Alvarez-Moro, Pontejos, 2, 2 puerta 6,

Clear duties and penalties the route to auditor independence

From Mr Derek Riduard. Sir, Prem Sikka, Anthony Puxty and Hugh Willmott (Accountancy Column, March 25) add their voices to the popular argument that separation of audit from consultancy work for the same client would

ensure auditor independence. Judging by the research car-ried out by NERA into this subject, I would suggest that their proposals are unworka-ble. What is more, this policy prescription is not at all the most direct solution to the root

When we collected data on audit-consultancy links among the Big Slx accounting firms in 1990, we found that the various regulatory obstacles to such links throughout the EC were mostly ignored, avoided or evaded. In Germany (the example cited by Sikka et al as hav-ing an effective ban on audit-consultancy links) we found that more than 20 per cent of Big Six non-audit income came from audit clients. The corresponding figure was 35 per cent for the UK.

Even supposing audit-consul-tancy links could be eradi-cated, the problem of the auditors owing greater financial allegiance to the managers than to the shareholders of the audit client would remain. The audit is a major piece of busi-ness in its own right, so audit partners would still have a clear financial incentive to compromise independence if lent on by unscrupulous company managers.

The way to tackle this problem head on is to clarify the duties of the auditor to the shareholders. Clearer duties, and clearer penalties if these duties were not discharged, would provide an effective financial antidote to the incentive to compromise independence. Certain knowledge that poor audit checks will result in exposure to proper penalties would concentrate the audi-

tor's mind wonderfully. Shareholders' representatives, and the accounting firms themselves, should take more rapid steps towards this goal if they are to avoid the imposi-tion of costly and ineffectual interference with their freedom to carry on consultancy work. Derek Ridyard.

associate director, National Economic Research

London WIN 9AF

Tax proposals will hit small oil exploration companies while benefiting large producers

From Dr Michael F Ridd. Sir, Since the chancellor's budget statement your pages have carried the reactions of

two of the biggest North Sea oil companies to the proposed changes in the Petroleum Revenue Tax arrangements ("North Sea group may halve exploration after oil tax change", March 24). At the other end of the spectrum is a company like my own, argu-ably the smallest North Sea oil company and yet one which would be strongly affected if the chancellor's proposals were

to be implemented.

Over several rounds of North Sea licensing Croft has built up a portfolio of exploration acreage, committing to the government to carry out certain seismic surveys and drilling. Our plans and commitments had been based on a fiscal regime in which our exploration and appraisal costs could be relieved against our PRT liability from the one producing field we have, Claymore. Under the chancellor's proposals the work we shall have to carry out under those commitments to government will effectively quadruple in cost. And, similarly, any discretionary exploration or appraisal work we might wish to carry out in the

more costly. Expressed another way, from 1996 when the PRT changes would begin to bite, our North Sea production reve-nue (and hence the money available for exploration) will

That is how a company largely devoted to exploration and appraisal will be affected. But certain other North Sea oil companies have such large producing interests and pay such large PRT bills that their effective increase in exploration and appraisal costs under the chancellor's proposals will be outweighed by the chancel-lor's other proposal, to reduce the PRT rate on existing fields from 75 to 50 per cent. Such companies, although few in number, are naturally rejoicing as your March 25 headline points out: "BP defends oil tax from attacks."

Mr John Browne of BP is reported as saying that for too long the taxpayer has subsi-dised exploration. The reason he is now rejoicing is because the chancellor is proposing that in future the taxpayer will instead foot the bill for BP's increase in North Sea revenue, estimated at up to £140m a

Mr Browne is one of the few

UK will be made that much | North Sea oil company executives to consider exploration levels will not be seriously affected by the proposed changes, reportedly saying that instead it will give exploration a stronger focus and make it more cost-effective. If drilling success rates have declined from 1 in 5 to 1 in 7. as he says, it is not because of inefficient exploration but because with advancing matu-rity the North Sea is yielding smaller discoveries of which more are falling beneath the threshold of commercial viability. "Stronger focus" is simply a euphemism for cutting the number of wells drilled, and fewer wells will mean fewer commercially viable discov-

> The government estimates that up to 25bn barrels of oil and 44 trillion cubic feet of gas may remain to be discovered in the UK. Finding those reserves will require sustained high levels of exploration. On the whole, over the past 30 years the fiscal regime has been conducive to such exploration that could now change. Michael F Ridd, managing director, Croft Oil and Gas,

les Echos Le Business Daily

640,000* French decision-makers always

start the day with a full breakfast.

enjoyed in France, one is particularly suited to the

taste of French decision-makers: les Echos, France's

Readership Survey (EBRS) speak for themselves: les

Echos is read by 61.4% of the country's top managers.

who also put their trust in Enjeux les Echos, the group's

monthly magazine. So whether you have a product to

sell or you wish to raise your company's profile, now

you know the best way to reach French executives in

the morning, beside their croissants.

kading business newspaper.

Among the many fine table traditions

The results of the 1991 European Business

Mied ine

#Frencl



London First's be example, is a study of economic compensumer a study of the solution of the solution of the solution of the solution is almost be ugh a \$15 on study of the solution of the s

ARCH 29 1993

agh a £15m study a subject by the last ness School, which the steady stream of the state of the stream of the state of the ly, the corporate 2 a formal member of on Forum since is xcluded local author membership. Yet is on is one of the s niermeramp. In the on is one of the far is London which on is abstantial funds, and it resources for the hae! Cassidy, che te corporation's poli-

irces committee sp ill be disappointed a ith an element of ss because it has a new to the party. er, such argument beg the bigger que Whether it is and such important in uning to be left sector organisation idequate resources First, for example, S some 40 company

ms are palmy in the Encunts which we i to address London ig problems. myatisation of la svernance will 🛎 superior the Treasure emps it has yet m

hich has chipped

iero to fund its wai

nest resolution es the dence

dere Clearer dute

vr penaities if 🖮 ere not discharge rovide an edicus articoler to the last ompromise intermain knowledge is t checks will reside to proper pendie nuent me the i wonderfully. olders represent the accounting in is should rake े रंगा आर्थ this हुआ ! to avoid the mass own and meteor with their free on consultancy sur

iyurd.

 $R^{l}(P,2\Omega)$ $\exp_X SAF$ loration producers a oil company con

Economic Reset

a oil company and consider exploration in not be series by the proposition of the proposi

vicole vicole vicole de la company de la com

This election thus confirms the

existence of a strong under-current of popular alienation from the traditional parties of govern-ment, which first emerged in last year's regional elections. One factor is no doubt the Socialists' failure to stem the tide of unemployment; another is the tainting of the Socialist party by systematic involvement in corrupt financing practices. But the Socialists' fatal offence was to have succumbed to point in its political history.

nomic problems, starting with the apparently inexorable rise in

unemployment, and the electorate will not thank them if they gratu-

itously rush into a dead-end politi-cal crisis with France's trading

partners, or an unnecessary con-stitutional crisis at home.

The conservatives popular base is more modest than their parlia-

mentary majority would suggest. The collapse of the Socialist vote is almost wholly accounted for by

the rise in the protest parties out-side the governing mainstream, such as the extreme right-wing

National Front and the ecologists. The conservatives' share of the

ballot in the first round of this

election - less than 40 per cent -

was slightly smaller than in 1981, which must make it imprudent,

therefore, for them to interpret a

massive parliamentary majority as a massive popular mandate.

Popular alienation

FINANCIAL TIMES

Number One Southwark Bridge, London SEI 9HL Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700 Monday March 29 1993

Spoils of the North Sea

ANY TAX reform as sweeping as the chancellor's new fiscal regime for North Sea oil inevitably cre-ates winners and losers. The more important question is whether it creates the right incentives to ensure that maximum economic benefit is extracted from the remain. Since the present arrangements are excessively complex, incorporate inadequate incentives for companies to control costs, and are ill-designed for a period in which many North Sea oil fields are reaching maturity, the reforms probably have more to commend them than the complaints of the smaller oil producers might sug-gest. But if form is any guide, they will not produce quite as stable a long-term regime as the chancellor

Under the old regime, only a small number of fields peld PRT at all and most of these were older fields. This was because exploration and appraisal costs could be off-set against the income from existing fields, thereby reducing or eliminating the charge to petro-leum revenue tax (PRT) and corporation tax. The effect was to cut the cost of exploration and appraisal to less than 17p in the pound, which provided a powerful incentive for drilling activity. But the tax take from existing fields, which suffered from a combined rate of royalty and tax charges of just over 85 per cent, provided a countervailing disincentive to further development. As a result there was a risk that substantial energy resources would be left untapped. This has led to sugges-tions from some larger companies, which are responsible for about 80 per cent of the development of existing fields, that the exploration tail has been allowed to wag the development dog. It has also led to a great deal of lobbying.

Underlying logic

in his budget package, the chan-cellor appears to have bought the big companies' argument. A reduction in the rate of PRT from 75 per cent to 50 per cent means that the combined tax rate for those existing fields that pay royalty and corporation tax as well as PRT will fall from 85 per cent to nearer 70 per cent. And it is hard to quarrel with the underlying of PRT was set when the oil price was three times higher in real terms and costs were significa lower. The more difficult question is whether the accompanying abo lition of PRT relief on exploration and appraisal costs, together with the switch to corporation tax on new fields, will lead to an undesirable reduction in the amount of exploration activity.

Unhappy timing

North Sea exploration has already been falling for predict-able reasons: the odds on drilling successfully, according to British Petroleum, have gone from one in four to one in seven over the past five years. Exploration is under-standably gravitating to more attractive prospects elsewhere. Judging by the initial reaction of many independent oil companies, this trend will accelerate. But the fact that the PRT regime has actually been costing the exchequen money poses a question about whether the government may now be subsidising sub-optimal investment in the North Sea. Certainly the reforms mean that future exploration will be more cost conscious; but because the prize to be had from developing new fields will be greater under corporation tax rules than before, the Trea sury's calculation must be that drilling will continue where the prospects of significant finds are best. From negative PRT revenues of £200m in 1991-92, the Treasury expects an inflow of £300m in 1994-5 and £400m thereafter.

It is nonetheless worrying that the hard-pressed independent sector, which has performed a useful role in the North Sea, is being so obviously disadvantaged relative to the giants of the industry - and hardly surprising that independent companies are distrustful of the Treasury's motives. The timing of the chancellor's move also looks unhappy, given the adverse job consequences at a time of rising memployment. That said, the broad thrust of the tax reforms is right for a North Sea that is reaching maturity. But if the suspicion that the Treasury's revenue calculations are based on over-optimistic assumptions about the future level of exploration proves right, the new corporation tax regime will no doubt grow complications

Mixed message for French right

THE SWEEPING election victory the arrogance of power of the French conservatives has Like the Gaullists before them, delivered two contradictory mesthe Socialists have systematically sages, which could lead them to monopolised the patronage of the adopt two opposite strategies of government. The simple message is that the electorate has handed state, supping deep from the privi-lege of presidential power, and becoming increasingly remote from ordinary people. This is a down a categoric rejection of the discredited Socialist party, and given the conservatives a licence to charge shead with a populist direct consequence of a system where the authority of the presi dent has progressively overshad-owed that of government and parright-wing programme, even if this involves getting into fights liament. There is a clear need for with the US over trade, with the a rebalancing of the system in Community over farm policy, and with President Mitterrand over his favour of parliament, and the modest constitutional reforms proposed by President Mitterrand constitutional position. But there is a deeper message, less exhilarat-ing for the right, which should prompt them to adopt a cautious and even a conciliatory posture. could be a useful move in that The conservatives' most acute dilemma is in economic policy. The case for caution is threefold: the conservatives do not really have a popular mandate for a hard-line right-wing programme, they have not offered any rapid solutions for the country's eco-

They subscribe to the same antiinflationary objectives, and the same hard franc policy, as the Socialists. But there is an irreconcilable conflict in the short term between their need to bring down memployment, and the deflation-ary effect of high German interest rates. They have promised a new initiative to accelerate Franco-German monetary co-operation. But if this fails to bring lower interest rates and the promise of faster growth, they will probably need to re-open the European debate on economic and monetary union.

Guiding principles

There is a danger that this dilemma will play into the hands of the populists and the anti-Europeans in the conservative coali-tion. In fact, the only sound general strategy for France is one centrally based on the European Community, on the liberal market economy, and on the key relation-

ship with Germany.

The best guarantee that these will continue to be the guiding principles of French policy will be the appointment of a prime minis-ter who is prudent, pragmatic and reasonable. Speculation has suggested that Mr Mitterrand will choose Mr Edouard Balladur, the former finance minister, who said last week that the new government should be "as open, as toler-ant, and as respectful of others as possible". Mr Balladur is not the only plausible candidate; but that is exactly the style of government which France needs at this delicate, and potentially unstable

ride may come before a fall, but there is no deny-ing that there is a certain cockiness to the Clinton administration these

days. Congress has been tamed, the press charmed. Yelisin is still there and visiting foreign dignitaries impressed - all if only for the

More than that, a certain style has been established. It combines collegial, activist, legalistic, inquir-ing and practical elements. It takes

ing and practical elements. It takes its lead, indisputably, from President Bill Clinton himself but it is equally evident in other key members of his administration.

Sir Leon Brittan, the EC trade commissioner, will get a heightened sense of it this morning when he sits down with Mickey Rantor, the US trade repesentative, to work on a daunting agenda, of which EC a daunting agenda, of which EC procurement policy and temporarily suspended US sanctions against it is merely the most pressing. He will find on the opposite side of the table a man more assured and more comfortable with his brief than when they first met last month.

Mr Kantor, 53, born in Tennessee, where his family fought racial dis-crimination, but enamoured of his adopted California ("the closest we've got to a meritocracy"), a poverty and corporate lawyer who ran Mr Clinton's professional campaign last year, gets up early, wears braces, and has a subtle sense of

humour. Though it may come as no help to Sir Leon, Mr Kantor is, like most sensible Americans, a baschall freak Last week's breakfast bagel was forgotten in discussing the revived fortunes of Fernando Valenzuela, the pitcher who relies on guile not force, but the trade analogles are not.

"Velocity in pitching, like philosopby in trade," Mickey Kantor declares, "is vastly overrated. It's all about location and staying ahead of the batters, that's how you'll be successful. Its not complicated, just like trade is not complicated. There are simple principles to adhere to." (On his deak was a clipping from a Japanese newspaper showing Mr Yoshiro Mori, the trade minister whom Mr Kantor was to meet later, playing baseball.)

Yet when pressed if he cares more about ends than means, the lawyer demurs. "Once you sign an agree-ment it seems to me almost count-er-intuitive, even dysfunctional not to live up to it." Nations have antidumping laws which, far from being necessarily skewed in favour of the plaintiff, exist "because there is a lot of dumping around".

However, laws, even in trade, are not, he goes on, set in concrete. "Change is the immutable law of politics and life. Change can be how to organise society. You take your friend." In perhaps a welled the hovelon (the Japanese system of

Mickey Kantor talks to Jurek Martin and Nancy Dunne about his daunting agenda in pursuit of open markets

Trade apostle with his eye on the ball

invitation to the EC to come back t the table for a multilateral steel agreement, "if your trading partner comes to you and says he can't live up to the terms of an agreement. up to the terms of an agreement, you can talk". Intensified negotiation, he argues, is what should have been done last year, possibly avoiding the US finding that European steel imports had been dumped in the US. "I'm always looking for the doct that doem's bark".

dog that doesn't bark."
If the rules of the game fascinate him, trade theology does not. "Tu not going to be caught in a theological debate that does not lead to practical and pragmatic results. It does not matter what you are called or how you are labelled, it matters what we get done. The idea is not to engage in endless debate about whether someone is a free trader, a protectionist, a managed trader or

e makes just one dog-matic exception. The US "is the largest open market in the world, and it is not going to change and everyone that. The rhetoric thrown around is only for effect, lets be mature and grown up about that."

He is inclined, naturally, to be more tolerant of US rhetoric for domestic consumption ("the politi-cal factor"), such as his own president has used when discoursing about European Airbus subsidies o the presumed iniquity of low US tariffs on Japanese mini-vans.

He contrasts that, perhaps ingen-uously, certainly defensively, with when the BC talks about protectionism and unilateralism, whatever the back that means, that is somehow supposed to embarrass us and persuade us to take action that is in the interest of the EC or the Japanese or whoever is making the

But, he goes on, it would be "audacious" to try to make a country like Japan be just like the US, which was arguably a motive in the Structural Impediments Initiative approach to market-opening practised by the Bush administration. "It is not my business to tell them



interlocking corporate networks) as a given and try to make it effective. It is my business to ensure that markets become more open."

Those caveats aside, Mr Kantor can be critical of Japan. For starters: "Japan can no longer stand aside and not engage in discussion on the Urugusy Round; this is not 45 years ago." For main course: "They don't need any protection from us or anybody else." For semiconductor dessert: "I think their lack of comfort (with the US insistence on quantitative targets) could be more concerned with other criteria, including politics." For good reason, he is concerned that the 20 per cent market-opening "goal" of the semiconductor expension semiconductor agreement

The EC gets a generally similar ride, with lots of compliments for its historic leadership. But "I don't understand why market access should be such a difficut problem. They should jump at the opportunities. The Germans, the English, the Dutch have been traders for centu-

"Barriers," he goes on, "are not in anyhody's interests. Agricultural variable levies, internal supports. the CAP, are not in anybody's interest. I'm not telling them how to handle it - that's not my business but I do have the right and obliga-tion to tell them what is in the interest of the US." On the discrimination of BC procurement policies, he says, more colloquially, "If I'm punching you, punching less

does not matter". Critics of the emerging US trade policy contend that too many offi-cials punch too often and in inconcass punch on once and in mon-sistent flurries, unlike the good old days when it was neatly compart-mentalised between a handful of administration "experts" who believed, whatever they actually did, that trade should be free, and a Democratic-controlled Congress which played the protectionist foll.

Mr Kantor is an apostle of the

horizontal approach to policy-making. Corporations and governments have found, he says, that it improves co-ordination. "Now, Treasury, State, Commerce, the National Economic Council, the National Security Council, USTR are constantly talking. There's a Tuesday morning meeting every week, hori-zontal discussions all the time. It takes a lot of discipline... but we talk so that we are all singing from the same hymn book." (This is a phrase in vogue in Washington: even Douglas Hurd, the British foreign secretary, was caught mouthtng it here last week.)

It works, he contends, because the president himself is "completely engaged," reading memoranda all the time and knowing his brief as well as any of his officials. His respect for his boss, whom he first met in 1979 through Mrs Hillary Rodham Clinton, knows no bound

ut if he takes his lead from Mr Clinton, be can argue his own way. "What appears from my studies and intuition is that the sum is greater than the parts. Exponential growth takes place from interaction between economies." But the benefits, in improved standards of living, must be widely spread at home and

He talks of extending the North American Free Trade Area southwards and then into co-operation with the Pacific basin, all with a view to creating "middle classes in the world". In this respect, his early career as a poverty lawyer, repre-senting the lowest of the low, migrant farm labour in Florida and then California, was influential.

Referring to Cesar Chavez, the charismatic leader of farm labour in the 1960s and 1970s: "He profoundly affected my view of what needed to be done, how important it was to throw yourself into public issues and, now, how important Nafta is in harmonising upwards workers' standards".

But he has his own ideal of where those standards are most perfectly found. A modest traveller ("I didn't make much as a legal services lawyer") he has been to Europe "a few times" and to Israel. In his present job: "I'd love to hold every meeting

Samuel Brittan

ECB very much on drawing board



Despite the clouds over the Meastricht treaty and Buro-pean Monetary Union, preparations for establishing the new European Centrai Bank in Stage Three are going ahead. The treaty

itself goes into detail about the constitution and responsibilities of the bank, but says little about how it

Forward thinking on these mat-ters has, however, been taking place under the segis of the EC Commit-tee of Central Bank Governors, which has already set up a small staff of its own; the committee itself is likely to be taken over by the European Monetary Institute when the latter is established in January 1994 under Stage Two of Emu. Further light on how the ECB might operate is shed by two members of the central bankers' staff, Carlo Monticelli and Jose Vinals in a paper entitled European Monetary Policy in Stage Three, soon to be published by the Centre for Economic Policy Research.

Monetary policy, we are usefully reminded, centres round the supply of "central bank money", which in UK parlance corresponds to bankers' balances at the Bank of England. This should be targeted according to the authors, not on any final objective, like a price index or Nominal GDP, but un some intermediate target, in practice, a

measure of the money supply.

Discussion of the paper at a recent conference in Barcelona made clear that the only measures of money supply likely to be used were fairly broad ones covering a wide range of bank deposits, as well as cash, such as Britain's M4 or the German M3. A subsequent paper by the Bank of England's economic director, Mervyn King, has a chart hinting that the relation between the British M4 and inflation, which broke down in the early 1980s, might be about to re-establish itself.

One argument is that money supply targeting would provide some continuity with national central banks, several of which already target the money supply. Furthermore, money supply targets respond more quickly to policy than inflation itself and are easier to monitor, which would help to establish the

There must be an intermediate stage when the still-independent central banks work together

credibility of the ECB in its vital early years. The successful pursuit of monetary targets might also exert a favourable influence on private sector expectations and behavlour, while the setting of ranges rather than joint targets should allow some flexibility for the new

A more interesting argument, emphasised even more by Professor Ronald McKinnon of Stanford university, is that the relation of the European money supply to incomes and prices could well be more stable than that for existing national currencies, as substitution between

institution.

them would cancel out. The EC paper also suggests that there are limits to how far the implementation of monetary policies can be delegated to the compo-nent central banks. For instance reserve requirements (virtually nonexistent in the UK) would have to be harmonised. On the other hand, each national centre could maintain its own standing facilities with muticant bunks.

However, conditions for the recognifion of banks would have to be well harmonised to prevent the authorities in each national capital from trying to promote its own financial centre at the expense of

some of their chief executives are

among the 200 contenders. Alas,

those questioned on the point

proved uncharacteristically shy.

offered: Tony Pender, chief executive of English Estates for

the past 14 years. "I'm naturally

going to have a go at it," he said.

As for having such hordes seeking

Not so, however, the man already

doing what is largely the job newly

My own worry is how we get from

here to there. It does not seem to me conceivable that up to, say, December 31 1998, the Bundesbank will decide its policies with sole reference to securing low inflation in Germany; and then on January 1 1999, the European Central Bank will take over with the different objective of stabilising European Community prices.

There must surely be an intermediate stage when the still-independent central banks work together with an eye to the European price level, and perhaps experiment with some measure of the European money supply.

Prof McKinnon has advocated a

"common monetary standard" under which the core ERM countries would co-ordinate monetary policies to achieve zero inflation for a common producer price index. His sim is to rehabilitate the European exchange rate mechanism; but it would be equally appropriate as a prelude to full Emu, or as a way of maintaining exchange rate stability while keeping options open.

OBSERVER

Campaigners return

 Debts of honour don't seem to be much recognised these days, let alone remembered after nigh half a century. All credit, then, to a group of British wrinklies preparing to return to northern malia, where they soldiered in the years just after the second world war.

The aim of the party, led by Anglo Somali Society chairman Brigadier Malcolm Page, is at least partly to redeem what they see as the UK government's neglect of its obligations to former allies in the old British Somaliland Protectorate, now the selfproclaimed but unrecognised. Somaliland Republic.

The debt is not just to the 1,000 or so Somali excervicemen and war widows remaining from 1939-45, says group member Cameron Morpeth, a retired stockbroker who served as a subaltern in the protectorate. The ties go back to the survivors' grandfathers who fought alongside British troops in Dervish campaigns at the turn of the century.

"We shouldn't leave this strongly British-oriented people to the vagaries of UN action. They haven't had a fair share of the aid given So far Rimfire, a British company running mine clearing operations, has offered to help him on arrival.

Millride golf club raised £1,500, and the littlih Commonwealth Ex-Services League has promised small grants. "That will help some of the hardest hit, including war widows in a country devasted as a direct result of cold war rivalries," says Morpeth. "But we should do

Intertwined

Perhaps it should be called "The Beautiful and the Dammed". According to vibes emanating from Los Angeles, narcissistic pop-star Michael Jackson is to Join disgraced tunk bond financier Michael Millorn in a new cable TV network which will seemingly focus on "education and entertainment" Don't rush to tune in, though.

True, Milken has completed a two-year jail sentence after pleading guilty to six counts of securities fraud. But he has yet to perform 1,800 hours of community service in each of the next three years.

Head count

■ Whatever Britain may be short of, it is evidently not people with "an impressive track-record in senior management, knowledge of the property market and extensive experience in land

meeneration or a related field. Almost 200 such paragons - in their own view, at any rate - have applied to become the first chief executive of the government's new Urban Regeneration Agency.



VILLEAKE I suggest a least of the modest little house red since it's only a modest little upturn we're celebrating, str

Among so many, there may even be one be deemed worth more than the advertised salary of £90,000. Charged with "unleashing the potential" of 150,000 acres of derelict and vacant land in England's towns and cities, the body will take over the work of English Estates, the government's industrial and commercial property developer, besides some of the grant programmes run by the environment department. Since England's 11 Urban

Development Corporations are

mostly scheduled for scrapping before long, it seems likely that

to trample over him, "it's uncomfortable, but the discomfort was expected." Cornered Mescowhile the environment secretary Michael Howard has just

received an invitation which presents him with a dilemma. Sent by Robin Smith - general manager of Copeland borough council in

that remote corner of England, West Cumbria – it requests him to visit the town of Whitehaven. If Howard turns up, he is sure to be lobbied for extra state ald

for the area, not least because its road, rail and air links are inadequate. Yet if he cries off as he did when last invited, sending junior colleague Tony Baldry instead, he'll not only leave local citizens in no doubt that the government is snubbing them, but help to prove the point they're seeking to make. Scheduled ministerial visits have

also been called off by housing minister Sir George Young and board of trade president Michael Heseltine as well as Howard's other

junior colleague Robin Squire. "It underlines that we're the most remote travel-to-work area in England from Whitehall," says Smith. "Not only does that make it difficult for government ministers to get to us; it makes it difficult for businessmen too."

Weighty question

■ Last week's Washington trip by Helmut Kohl has complicated matters for his staff in Germany Some of them have wagered that their chancellor will be 14 kilos lighter on returning from his annual visit to an Austrian spa. due to begin on Wednesday. But now he has been to the US. the decisive question is not how much he will weigh after the spa

holiday, but the weight at which Suspicions that he increased his bulk while in Washington are strengthened by onlookers' impressions that he was there not so much to meet the new US president as to renew his own acquaintance with a favourite restaurant: Filomena's in Georgetown. Certainly, hobnobbing before a White House meeting on

Friday, he could talk of little else. As a result Bill Clinton, who has proved himself more than a McDonalds man with recent appearances in several of Washington's trendier restaurants, added Filomena's to his list. He might have done better to note the address of the spa.

KNITTING MACHINES INDUSTRIAL AND DOMESTIC SHWING MACHINES

UN aid convoy reaches besieged town as Bosnian ceasefire holds

By Laura Silber in Belgrade

A CEASEFIRE from noon yesterday agreed by Bosnia's three warring parties appeared to be holding last night, as a long-delayed United Nations relief convoy reached a besieged town in eastern Bosnia.

On Saturday the convoy, destined for Srebrenica where 60,000 people are desperate for food and medical aid, was stopped from crossing into Bosnia by local Serbs. This was in spite of an undertaking by General Ratko Mladic, the Bosnian Serb army

Hopes rose yesterday that it would at last get through when it was cleared by Bosnian Serbs at the border town of Mali Zvornik, and its arrival at Srebrenica was reported by the UN last night.

By Richard Tomkine, Transport Correspondent

THE £130m (\$185m) international

rail terminal being built at Lon-

don's Waterloo station, Britain's

biggest station project since the

last century, could become

if the Channel tunnel rail link is

Union Railways - a subsidiary

of British Rail, the state-run rail-

way - is in charge of the Channel

tunnel rail link. It has acknowl-

edged that its plans assume most

or all international train services

will switch to a new terminal at

London's St Pancras or King's

Cross stations when the link

opens around the end of the

A small number of trains may

continue to run into Waterloo to

see if any demand remains, but

most passengers are expected to

prefer the St Pancras or King's

Cross terminal because it will offer a faster journey time and

better connections with BR and

scandals, and even if parlia-

ment decides there are insuffi-

cient grounds to waive his immu-

nity he will find it hard to

recover his key role as the mas-

London Underground services.

Continued from Page 1

redundant six years after it opens

built as planned.

The uncertain situation on the ground in Bosnia was matched by the equally fragile state of the peace negotiations in New York, following the signature last week of important elements of the internationally brokered peace plan by Mr Alija Izetbegovic, the Bosnian president.

Mr Izetbegovic said at the weekend that the Bosnian Serbs – the only ones not to have signed the plan put forward by the international mediators. Mr Cyrus Vance and Lord Owen – had between 10 and 15 days to endorse it. If they did not accept it by that deadline, he would consider his own signature invalid.

However, Lord Owen said in a US television interview yesterday that a 10 to 15-day deadline was "too early" to secure the Bosnian Serbs' signature. Mr Izetbegovic had not mentioned such an ulti-

New UK rail terminal may

be obsolete after six years

Waterloo International station,

now nearing completion, has

been acclaimed for its architec-

tural design. Its five platforms,

each a quarter-of-a-mile long, are

Covered with a canopy incorpo-

rating 2% acres of glass, 2 acres

of stainless steel cladding and

For the first few years of Chan-

nel tunnel operations, while con-

tinental trains are running along

existing tracks between London

and the coast, the station will be

the sole London terminus for

At the time the station was

planned, it was expected that the

new high-speed link connecting

London with the tunnel would

approach London from the south

and make equal use of Waterloo

and a second terminal to be built

at King's Cross. But those plans

have been overtaken by the dras-

tically revised route published

last week by the government.

which approaches London from

Under the new plans, trains

using the high-speed link will only be able to reach Waterloo by

tor of Italian politics.

Over the weekend, the Amato

government announced the com-

position of the board of Eni, the

state oil concern whose chairman

and heads of four main subsid-

iaries have been arrested in cor-

Fresh probe into politicians' Mafia links

1,000 tonnes of steelwork.

international expresses.

matum to him when he signed flights, has remained on the side the agreement in New York last lines, following a threat by the

It is nevertheless possible that the Bosnian Serbs will give their verdict within a short time. Mr Radovan Karadzic, the Bosnian Serb leader, said the partiament of his self-styled republic would vote on the Vance-Owen plan within the next 10 days.

Meanwhile, France has become the first country to join the US operation to parachute relief supplies to besieged towns in eastern Bosnia, which land convoys have been unable to reach. A French C-160 cargo aircraft accompanied four US cargo aircraft on Saturday night to drop 30 tonnes of food and 600 kg of medical supplies to the mainly Moslem inhabitants of Gorazde.

But Germany, which had intended to join the US relief

end in Kent and reverting to con-

gested tracks for the last 22 miles. This means the journey to Waterloo will take 17 minutes

longer than the journey to St

the trains have a clear path.

Pancras or King's Cross, even if

Mr John Prideaux, Union Rail-

ways' chairman, said it was inev-

itable that Waterloo would be the

loser once the eastern approach

to the capital had been chosen.

Mr Prideaux said: "We would not

say that we will not take any

trains there, but there will be a

preference for the majority to go

to King's Cross or St Pancras because it will be quicker." A limited train service could

provide only a temporary respite

from closure for Waterloo's inter-

national terminal because traffic

levels would be too low to justify

the continued operation of the

airport-style building with its

arrival and immigration halls,

customs facilities and departure

Freight wagons unveiled, Page 7

of six has Mr Franco Bernabe

continuing as chief executive and

Mr Luigi Meanti, a former man-

aging director of the Eni subsid-

iary Snam, as chairman. The

board members are all techno-

crats instead of political appoin-

Too many bodies, Page 12

flights, has remained on the sidelines, following a threat by the Bosnian Serbs to shoot down aircraft of any flights in which Germans participated.

The Bosnian Serbs are still bitter about Germany's occupation of Yugoslavia during the second world war, and also blame Bonn for what they consider the European Community's premature recognition of Croatia and Slovenia, thus precipitating the break-up of Yugoslavia.

In the Croatian capital of Zagreb, Mr Izetbegovic said yesterday that he and President Franjo Tudjman of Croatia had agreed to set up a joint Croat-Moslem army command in Bosnia. The country's Moslems and Croats are formally allied against the Bosnian Serbs, but have fought fierce battles against each other in several regious.

US-EC in talks to avert trade sanctions

By David Dodwell, World Trade Editor, in London

SENIOR US and European Community trade officials hold critical talks in Brussels today aimed at averting US sanctions over EC government purchasing policies, and at restoring momentum to stalled negotiations on global trade liberalisation.

The most urgent task facing Sir Leon Brittan, the EC's trade commissioner, and US trade representative Mickey Kantor will be to find a compromise in a dispute over government contracts.

At the centre of the disagreement is an EC rule that Washington believes gives unfair preference to Community companies in winning public contracts. A US threat of sanctions affecting about \$45m.\$50m of EC goods was put on hold following talks in Washington last week between President Bill Clinton and Mr

Jacques Delors, EC president.
US officials have warned that sanctions will go ahead later this week if Sir Leon and Mr Kantor fail to reach compromise. The row could rapidly escalate, as the EC says it is ready to retaliate.

The talks coincide with figures published today by the General Agreement on Tariffs and Trade that show world trade grew by 5.5 per cent to \$3,700bn last year, reversing four years of slowdown.

Gatt officials are calling for fresh efforts to be made to conclude the Uruguay Round of talks on world trade liberalisation at a time when "trade has been a source of relative strength in an otherwise mostly weak economic

Both the EC and the US say they are keen to use the meeting between Sir Leon and Mr Rantor to revive the Uruguay Round. Today's talks are expected to be confined to charting a route towards a market access package under which the EC would lower tariffs on electronics products, non-ferrous metals and paper and wood products. The US in turn is being pressed to cut high tariffs on textiles, ceramics and glass products.

A wide-ranging review of US trade policy is still in progress in Washington, making definitive US statements unlikely this week.

Mr Kantor signalled to EC negotiators in an interview with the FT that while trade politics fascinate him, trade theology does not. "I'm not going to be caught in a theological debate that does not lead to practical and pragmatic results," he said.

"It does not matter what you are called or how you are labelled, it matters what we get done. The idea is not to engage in endless debate about whether someone is a free trader, a protectionist, a managed trader or results oriented," Mr Kantor said. He added that the US "is the largest open market in the world, and it is not going to change and everyone knows that".

Gatt world trade report, Page 6 US dumping inquiry, Page 6 Kantor interview, Page 13



THE LEX COLUMN

High street demolition

Kingfisher's results last week showed clearly how the new accounting standards will cut retailers' profits. Until now companies were able to revalue properties in their balance sheets, and they could also count the full difference between the original purchase price and the disposal price as a profit. Companies conveniently did well both ways. Property revaluations strengthened the balance sheet while disposal gains flattered the profit and loss

Now profits – or losses – are measured on the difference between carrying cost in the balance sheet and sale price. For Kingfisher the change turned a profit of £20.6m on property in 1991-92 into a loss of £11.4m. The problem particularly affects groups with large long-standing property holdings. Woolworth's high street stores and Sears' shoe shops are good examples. Indeed, Sears is the retailer most affected by the change. It realised property gains of £92m in 1991 and 1992 – some 40 per cent of reported profits. Those profits will be substantially lower when restated on the new basis. Sears' decision to cut its dividend last year thus looks to have been all the more inevitable given that the payment was not even covered before the change.

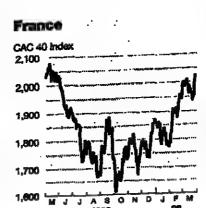
Large investors have in the main stripped out such profits from their calculations. Smaller investors may be more shocked by the change – however much companies try to pretend that it is merely technical. Other sectors may also be in for a surprise. The brewing and leisure sectors have similar property portfolios, yet the full significance of the change does not yet appear to have sunk in.

France

The perversity of stock markets is a wonderful thing. With the economic news from France worsening by the day, the CAC-40 index last week surged through the 2,000 barrier, adding the gloss to an 8 per cent rise since the start of the year. Yesterday's elections were the proximate cause; the anticipation of interest rate cuts the broader justification.

The tide of suphoria surrounding

The tide of suphoria surrounding the incoming market-friendly government looks likely to last a while. The CAC's all-time high of 2,129 may yet be breached this year with the conservatives keen to show they can make a better fist of the economy than the socialists. The government's privatisation programms could raise more than



FFr20hn (£2.5hn) this year to fund a spot of reflation. The commitment to the franc fort should remain solid. Nevertheless, France's fine inflation record could permit interest rates to fall from 11 per cent to 6 per cent by

the year-end.

Much depends, though, on the speed with which German interest rates drop. If the Bundesbank moves too slowly, high interest rates will inflict real damage on the French economy. Economic growth is stalling. The recent dismal stream of corporate news suggests earnings and dividends will come under severe pressure. The strong franc has thrown grit into France's export machine. The equity market is gambling that, if the Bundesbank proves too grudging, the franc fort policy will face the guillotine.

ECGI

The increased export credit cover and lower premiums promised in the budget brought qualified approval from industry. Although ECGD's average premiums have been cut, affordable cover will not necessarily be available for markets of particular interest to exporters such as China. But it does look as though the regime has become more relaxed. The broader fear is that this may ultimately lead to a rerun of the large losses which plagued ECGD during the 1980s and from which it is only just recovering.

only just recovering.

ECGD's obligation to provide medium-term project cover forces it to take on large single risks for which no reinsurance cover exists. Like other national export credit agencies it suffers from a concentration of risks. By contrast, commercial companies automatically reinsure.

There is an opportunity here for the EC. It could establish a European

export credit reinsurance market which would help put national agencies on a sounder footing. The stock objection - that one country's taxpayers would simply end up covering losses incurred by another's exporters - is short-sighted. Assuming a degree

is short-sighted. Assuming a degree of critical mass, such a market would set a benchmark for premiums which would make it hard for national agencies to undercut each other. The unfair competition which British exporters claim to have faced from low-premium countries like France would disappear. Decisions to extend cover might become more disciplined.

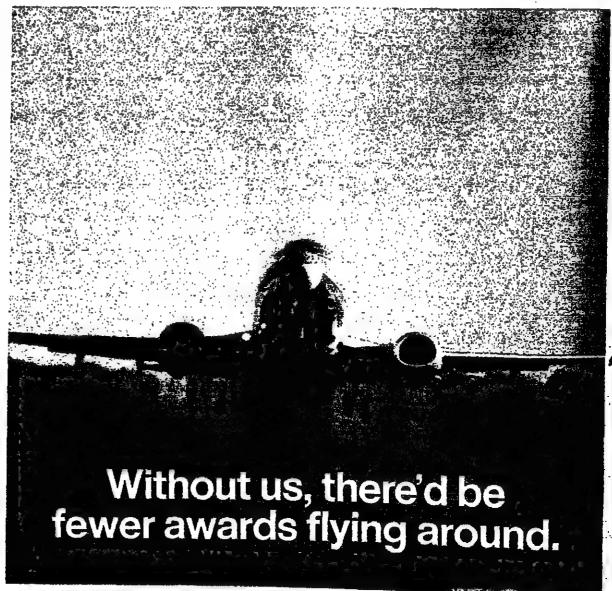
Unfortunately the chances of such a radical approach look slim. The UK government's reluctance to extend its own top-up reinsurance facility for the privatised part of ECGD suggests it has little appreciation of the reinsurance issue. As long as that remains true, exporters should expect the export credit tap to be turned off again once the losses start to mount.

Index-linked gilts

In theory, index-linked glits should have been a beneficiary of the budget. The lower tax credit on dividends which has reduced the yield on equities does not affect glits. The yield on index-linked glits, which are perhaps best viewed as a surrogate equity rather than a bond, has thus become more attractive relative to shares. Over time this could lead institutions to devote more of their cash-flow to the index-linked market. But there is unlikely to be a rush.

One problem is that running yields on index-linked gilts are still too low to attract yield-conscious investors in equities. Another is that even those who believe that devaluation and the government's economic problems will eventually rekindle inflation also have to worry about real yields in the short run. On this matter index-linked gilts take their lead from the conventional market. And this market is again worried about supply.

Then there is the structural problem of liquidity. Extra sales have increased the size of the index-linked market by more than 25bn in the current financial year. That amounts to an expansion of some 40 per cent, but there is still no real trading liquidity. So buyers of index-linked may face punitive dealing costs if they want to sell. The worry is that the market may never become liquid whatever its size. The high cost of carry makes index-linked unattractive to market makers.



Prestigious awards from aircraft manufacturers in recognition of superior quality, cost and schedule performance have recently winged their way to **Dowty** companies.

The Los Angeles plant was one of 7 companies selected from more than 3,500 suppliers in 29 nations to receive Boeing's highest honour — the Boeing Commercial Airline Group President's Award for Excellence.

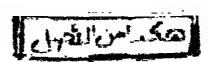
This plant also won McDonnell Douglas Preferred Supplier status a distinction of the Companies.

This plant also won McDonnell Douglas Preferred Supplier status, a distinction shared by Dowty. Wolverhampton, the first European company to join this select list.

Dowty is one of TI Group's three specialised engineering businesses, the others being John Crane and Bandy.
Each one is a technological and market leader in its field. Together, their specialist skills enable
TI Group to get the critical answers right for its customers. Worldwide.



WORLD LEADERSHIP IN SPECIALISED ENGINEERING



Vestey meat group

seeks shareholder

Weddel New Zeeland, the meet company owned

Weddel New Zestand, the meet company owned by the Vestey family of the UK though their Union International group, plans big shareholding changes including searching for a new large shareholder. This follows a decision by the Vesteys to sell assets to restricture. Mr John Prendergast,

Weddel managing director, said the family planned

Recent events in the gitts market have underlined the pitfalls of peering into the future. Even though last week yields for most classes of gitts moved up ahead of this week's biggest-ever gitt auction, the

market has performed far better in recent months than most people in the Tressury and the Bank of England appear to have expected it would do fol-lowing the exit from the ERM. Page 18

New bond (stues est record

New Issues in the international bond market

from sovereign borrowers. Page 19

Renown posts loss

Prospective p/e ratio

weer. Page 17

Market Statistics

Companies in this issue

FT/ISMA int bood sec

Austrian Airlines

Clark (C&J) Claricson (Horac

Crédit Lyonnais

GR (Holdings)

EFM Dragon Trust

reached a record high in the first quarter, reflecting

and an increase in funding requirements, especially

a favourable environment of falling interest rates

Renown, Japen's largest clothing maker which owns upmarket UK retailer Aquascutum, posted continuing losses for the six months to the end of Jaruary due mainly to sluggish sales of women's

The latest prospective p/e ratio for the "500" index

consensus estimates service (Last week: 14.7). This comperes with an IBES estimated p/e for the "500" of 18.0 (18.2) for calender 1992. The official FT cal-

Leador chare territos immeditantes Morey markets New lot bond leaves World stock yilkt Indices

17 inchcape 19 inmobiliarie Urbie

MGM Moorfield Esta

Sun Hung Kal Prope

News Corp Plasmed Publicis

for calendar 1993 is 14.5 according to IBES, the

culation of the historic p/e, based on the latest reported earnings, is 17.91 (18.22).

to sell about 50 per cent of the company, the fourth largest in New Zealand, Page 17

Gifts market upsets forecasts

SOUSTAKE STOR SALE ?

INVESTMENT

OPPORTUNITY

INSIDE

reinsurance many reinsurance marked put national and its put nationa ch 100% and the fi eluciance to ented to isurance facility for the so a dice facility by the collection of the relation of the relation as that reads should expect to p to be turned of a start to mount

Mastics Limiter

0773 852311

10n

start to mount ted gilts dex-linked gilts shat noticeary of the index or divides a credit on divides acced the yield on eatherst splys. The matter treet gits. The year its. which are per is a surrogate equipound, has thus been e relative to de could lead institute of their cashions d market But the a rush. is that running you

i gil s are still to k er is that even be at devaluation en le Tanomic problems กก่ใด เกริสปอก also 🔄 real yields in the da uttter index-linke & from the convenien de market is again a the structural profe tra sales have more

and exclinited market authorities to an ena per cent, but the attend in jurday. Sob skeed may face pure they want to sell." the market may as whatever its size i ntip i mastes indexide market makers

OTHE FINANCIAL TIMES LIMITED 1993

MR RUPERT Murdoch's News Corporation is seeking a \$3bn revolving loan from a group of 30 to 40 international banks to help refinance outstanding debts at lower

Interest rates.

Although terms of the deal, believed to have a maturity of more than five years, were not available, it is understood that Citibank of the US and Midlaud of the UK

are among the lead banks involved.

The \$5hn refinancing is the latest step in the restructuring of News Corp's debt. In

financial problems with debts of more than \$7.6bn. News Corp was forced into lengthy negotiations with nearly 150 lending banks and after months of talks, it was agreed that about \$7.6bn of debt would be

morning to make a formal proposal in a New York bankruptcy court to take con-trol of The New York Post, the bankrupt tabloid newspaper facing management dis-array and a severe cash crunch. Mr Murdoch, who lost an estimated

\$150m when he last owned the newspaper between 1976 and 1988, on Friday evening

held a three-hour meeting with Mr Abe Hirschfeld, the car parks magnate who has controlled The Post since March 12. It is believed the two reached an informal

FCC rules caused Mr Murdoch to sell The Post in 1988 because he also controlled a New York TV station.

If today's court hearing goes well Mr Murdoch could obtain operating control of the newspaper from as early as tomorrow. He already has the support of Mr Mario Cuomo, New York governor, and the paper's editorial staff, creditors and managers - many of whom have been angered by the behaviour of Mr Hirschfeld.

Mr Murdoch's costs over the next 60 days may reach \$8m and he would then have to provide a plan to bring The Post out of Chapter 11 bankruptcy protection.

Revenue passenger

\$66.9m

20,301

15.967bn

emphasise doubts at IBM

Rivals

By Lousie Kehoe

IBM's competitors moved swiftly over the weekend to capitalise on uncertainty created inside and outside the world's largest computer maker by the appointment as chief executive of Mr Louis Gerstner, a man with no computer industry experience.

Choosing Mr Gerstner, who joins IBM on Thursday from RJR Nabisco, the food and tobacco group, was a bold but risky way for IBM's board to try to revitalise the company, many computer executives and analysts said. Questions about IBM's technol-

ogy and product strategies will pile up while Mr Gerstner gets to grips with the company, they

"The customer is saying, holy mackerel, why should I buy any more from IBM until this guy figures out what he is doing?" said Mr Scott McNealy, chief executive of Sun Microsystems, the leading computer workstaton manufacturer. Computer buyers realise that

Mr Gerstner is likely to elimi-nate some products as he stream-lines IBM, but they don't know which ones, he explains. The fear of buying IBM prod-

ucts that will soon be obsolete "gives Sun's sales people a really nice run at the IBM customer If IBM's customers are wor-

ried, its employees are living in fear and dread of the "axe man", a reputation Mr Gerstner brings with him from RJR Nabisco, where he lopped the workforce stems the blog bus Wall Street analysts expect Mr

Gerstner to accelerate the "downsizing" of IBM by cutting up to 100,000 people from the company's 300,000 payroll. Among computer experts,

another source of concern is Mr Gerstner's lack of prior experience in the computer industry.
Others see Mr Gerstner's lack of computer industry experience as a positive advantage because he will be forced to rely upon the

advice of others, pushing responsibility down the ranks. But that raises questions about

his top advisers. "The management team he

builds is much more important than what he knows about mips and flops," said Mr Regis McKenna, an industry consul-

"Making IBM faster on its feet is going to be the key challenge." IBM's wish-list, Page 10

News Corp seeks \$3bn and The Post

By Alan Friedman in New York

late 1990, News Corp was facing severe

restructured over three years. Separately, Mr Murdoch is expected this

agreement under which Mr Hirschfeld said he would not oppose Mr Murdoch's offer at today's court hearing. The offer will involve Mr Murdoch pro-

viding operating capital and taking control of the paper for the next 60 to 90 days, pending the approval from the Federal Communications Commission (FCC) of a request to waive rules that normally prevent cross-ownership of both a newspaper and a television station in one city. The

Paul Betts explains why a group of smaller airlines are talking about partnership Four airlines in search of a future

Co-operating to survive in a global market

r Jan Cartzon, the chief executive of Scandina-vian Airlines System (SAS), describes the current flurry of mergers and partnerships in the airline business as the ketchup bottle effect: "You shake and shake the bottle and nothing seems to happen until it

all comes pouring out at once." For the past eight years, the SAS boss has been one of the most consistent and ardent proponents of transnational co-operation to enable smaller and medium-sized airlines like SAS to compete against the larger European, American and Asian carriers in an increasingly deregulated and global industry.

He is now in the throes of complex partnership discussions with three other medium-sized European carriers - Swissair, KLM Royal Dutch Airlines and Austrian Airlines - to try to establish a "fourth force" in the European airline market to compete against the big three - British Airways, Air France and Lufthansa of Germany.

If successful, the current talks

could ultimately lead to a merger. of the four carriers which combined would be larger than BA, Air France or Lufthansa. It would have a fleet of around 270 aircraft, ampiny more than 80,000 people, and carry around 30m engers a year.

The four carriers have already established 16 working parties to study how they could work more closely together by creating a multi-hub traffic system based Geneva and Vienna; integrating their fleets and future aircraft purchasing policies; combining frequent flier programmes; rationalising their structures and cutting costs by setting up, for example, one head office instead

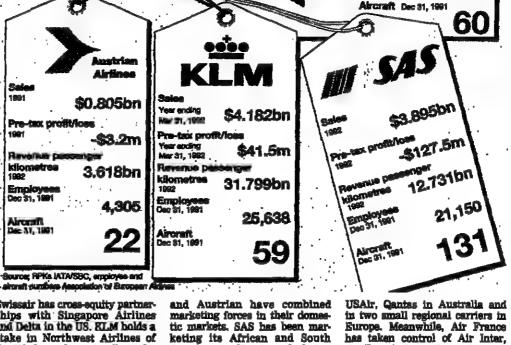
One working paper leaked last week goes as far as proposing a full merger with a joint company controlling four separate operat-ing arms with aircraft flying under the same logo and common

The four airlines insist that nothing has yet been decided and that a wide range of proposals are still under consideration. The conclusions of the different studies are to be submitted to the heads of the four airlines next month. By the end of June, they are expected to take a decision. What is clear is that the four airlines want to move quickly", said one party to the talks.

The convoluted ownership structure of the airlines, espe-cially SAS in which the Swedish, Danish and Norwegian govern-ments all own stakes, is likely to complicate merger plans. The unions and some vocal sections of government are also expected to resist radical merger proposals to protect employment and defend national pride.

But there are compelling reasons for the four airlines to gang together. All four share common problems as well as similar strategies. Their domestic markets are too small to support a strong international airline. For this reason, they have all long branched out to forge links with carriers around the globe to operate viable traine networks. SAS has developed links with

Continental in the US, Lan Chile in South America, That in south east Asia, ANA in Japan. In the UK it owns 25 per cent of Airlines of Britain which operates the regional carrier British Midland.



Swissair has cross-equity partner-ships with Singapore Airlines and Delta in the US. RLM holds a stake in Northwest Airlines of the US, has a long standing relationship with Garuda of Indonesia and a stake in the British regional carrier Air UK. Swissair and ANA both have minority. stakes in Austrian, the smallest and weakest of the four.

As an initial response to growing competition in Europe and the emergence of so-called "mega carriers" in the US and Asia. SAS. Swissair and Austrian formed four years ago what they termed the European Quality Alliance. Originally, the three airlines envisaged swapping stakes, but this proved too difficult because of the complex SAS ownership structure. However, the partnership has slowly started to beer fruits.

The three carriers co-ordinated last year the launch of new services to eastern Europe. Swissair tic markets. SAS has been marketing its African and South American traffic through Swissair. Some co-ordination in the use of equipment has already taken

Early on, SAS also sought to attract KLM to the table. But the talks were interrupted two years ago when the Dutch carrier decided to enter into merger negotiations with BA. The dialogue was renawed after the BA-KLM talks collapsed largely on the issue of control.

t has since gathered pace with the advent this year of the new single European aviation market and the industry's financial troubles due to reces sion. These combined pres have, in turn, intensified the trend towards greater consolida-

In Britain, BA bought stakes in

aggressively restructures itself.
Time is running out for
Europe's medium-sized carriers. However, a merger could take some time. After all, it took five years to find the proper corporate structure for SAS before the airline was created from the separate Swedish, Norwegian and Danish international airline operations in 1951.

But as one executive close to the current talks said: "That does not mean we cannot agree quickly to have the benefits of a merger without actually having a merger."

the French domestic carrier, and

UTA, the independent French

long-haul airline, as well as buy-

ing stakes in Sabena of Beigium and CSA of Czechoslovakia. Luft-

hansa is also scouting for part-

nership opportunities while it

vided by Mr Norman Lamont,

minute Budget speech to mone-tary policy. The two innovations contained in the paragraphs disappointed monetarists and appeared to mark a dilution of the government's previous stance.

notes and coins in circulation, financial strategy to 1997-98, it will be "likely to be a cause for

concern".

The existing monitoring range for annual growth of M4.

icy is to achieve low inflation. Shortly after leaving the ERM. the government announced an explicit inflation target of keeping underlying inflation, measured by the retail prices index minus mortgage interest

i. Wolvertimpun

ane and Sundy

is enable

RING a creation of the first This inflation target is now

UK is back on track with a monetary policy

ment's anti-inflation strategy. According to the Treasury "Red Book" published on Budget day, the interest-rate decisions needed to keep inflation in the target range will be hased on a continuing assess-ment of monetary conditions, measured mainly by the growth of MO and M4, as well as movement of the exchange rate and asset prices. While there are no targets or moni-

toring ranges for sterling or

accommodate these two way-

The Treasury's feeble explanation that it had widened its monitoring range to 6 from 4 percentage points "because it now applies to a longer period" might excite such suspicions in the case of M4.

But there is a sound intellectual reason for abandoning the M0 target. So long as underlyillogical and impractical to

Economics Notebook By Peter Norman

asset values, sharp mevements in these indicators would also trigger official concarn.

These four indicators are therefore the main determinants of interest rates in the UK. Although the framework for policy decisions falls short of the simple triggers beloved by financial markets, UK monetary policy should be more predictable than previously. Interest rate decisions will still be based on judgment but not driven wholly by the seat of

But what are we to make of the Budget innovations of the new monitoring range for M0 and the broader monitoring

range for M4? Mo's annual growth rate has been higher than 4 per cent since February, while M4 growth, at just over 3 per cent in recent months, has been below the lower limit of the old monitoring range. A cynic might suppose that the ranges

have an intermediate target as

Moreover, the Treasury believes that Mo may be sub-ject to special factors that might justify a more relaxed attitude to its recent rapid growth. The Treasury's monthly monetary report in February said that low interest rates could be encouraging higher cash holdings, so fuelling the growth of MO.

A more esoteric explanation was provided in the Red Book. It says the growth of velocity of circulation of MO has slowed in recent years and was close to zero in 1992-93. If this trend persists, M0 could grow at a higher rate than the 4 per cent upper limit of its monitoring range without indicating any resurgence of inflationary pressures in the economy.
So much for the policy

framework. But the best

designed monetary policy is of

little use if it lacks credibility.

It is here that the UK author-ities have a problem. In Febru-ary, the Bank of England noted that expectations of inflation had not yet adjusted to levels compatible with the 1 to 4 per cant target range for inflation.

The message was hammered home last week by Mr King. He pointed out that long-term interest rates in Britain, at 7.8 per cent, were higher than Germany's 6.6 per cent and France's 7.4 per cent. Although British inflation is currently below German levels, the difference in long-term rates suggests that monetary policy in Germany enjoys more credibiltty than in the UK.

The new monetary policy has some institutional trappings for boosting credibility in which the Bank sets much store. One is its quarterly infla-Mr King, will be a "visible demonstration" of the Bank's resolve to signal when remedial policy action" such as higher interest rates is

Another is the specific mandate given to Mr Eddie George when he was appointed the next governor of the Bank. Mr George, who takes over on July 1, has been told that "his central responsibility should be to support the government in its determination to bring about a lasting reduction in the rate of

But ultimately, it will be the actions of the UK authorities and their ability to keep infla-tion within the prescribed target band that will determine whether the new monetary pol-icy gains the credibility it cur-

This will take time. At the very least, Mr Lamont will have to avoid changing interest rates for purely political reasons, as was the case last October when interest rates fell in response to the pit closure crisis, or in conditions of muddle, as happened on Janu-ary 26 when base rates were reduced to their present 6 per

Glaxo to withdraw claims for Zantac

By John Authers in London

GLAXO Holdings, Europe's largest pharmaceuticals company, has agreed to demands by the US Food and Drug Administration that it withdraws some promotional claims about its ulcer treatment drug Zantac. In January this year, the FDA said Glaxo "frequently

comparative efficacy and safety claims that are not supported by adequate data". Glaxo stopped publishing the contested claims in advertising and promotional litera-ture earlier this month, but objected to the FDA's claims and said it was unlikely to

write to US doctors The company it has agreed with the FDA on the content of letter to be sent to doctors in the US, correcting its standard hiteralium.

Discussions continue on how Glaxo's retractions should be Zantac is the world's best

elling medicine with annual sales of about £2bn (\$2.84bn), representing 45 per cent of Glaxo's turnover. Annual US sales are estimated by analysts at \$1.4bm. An analyst said: "This makes it harder for Glaxo to

Tagamet on the market in the US next year it may be harder for Zentac to maintain market The company stressed yesterday that its right to distribute the drug in the US had



t has taken six months. But Britain now has a comprehensive monetary polbership of the European exchange rate mechanism.
The final touches were pro-

the chancellor, in his Budget. The logic behind the policy was fleshed out by Mr Mervyn King, the Bank of England's chief economist, at a seminar in London last week. The chancellor devoted only six paragraphs of his 1 hour 51

M0, the narrow measure of money supply, which had been targeted by the government since 1984, is now subject to a "monitoring range". If growth of M0, which consists mainly of strays outside the 0 to 4 per cent range during the period of the government's medium-term

the broad measure of money supply which also embraces bank and building society deposits, was modified to 3 to 9 per cent from the 4 to 8 per cent set last November for the period to the end of March. The M4 monitoring range will also apply for the full life of the MTFS and movements of broad money outside its bands should sound a warning to the The purpose of monetary pol-

payments, in a 1 to 4 per cent range over the life of this par-

ward indicators

COMPANIES AND FINANCE

EFM Dragon success in battle for Drayton Asia

EFM DRAGON Trust has won control of Drayton Asia Trust, removing yet another investment vehicle from the the stable managed by Invesco MIM. Edinburgh Fund Managers

said it had received acceptances for its bids from 51.26 per cent of Drayton Asia's capital and 42.04 per cent of its waitants.

Mr Ratan Engineer, chairman of Drayton Asia, which strongly contested the bid. admitted that EFM Dragon was "home and dry", but continued

INDEPENDENT directors of

Buckingham International will

today advise investors in the

struggling hotels and nursing

homes group to sell their shares, as its cash difficulties

appear greater than previously

Their statement marks a

change of opinion on a £12.4m

offer for Buckingham's com-

mon and loan stock from Pur-

unsatisfactory for its shareholders, as there was no offer of a cash alternative.

Last week Drayton dropped alternative proposals, which would have offered shareholders the choice between a unit trust and a new split capital investment trust, blaming opposition from CIN, the manager of the British Coal Pension Funds.

CIN has a 20.1 per cent stake in Drayton Asia, and a controlling interest in Edinburgh Fund Managers, which man-

trolled by Jemma Trust and

Naaz Holdings, Together they

own 38.7 per cent of Bucking-

ham and the Takeover Panel

ordered them to bid for the

holders they should either

accept the offer or sell their

ordinary shares in the market

for a higher price. They should

retain, though, their loan

stock. Purlieus is offering 2.75p

The directors will tell share-

Buckingham holders told to sell

culate Drayton Asia's formula asset value as at March 26 before Drayton shareholders can be issued with Dragon shares under the terms of the bid. This will be done "as soon as possible"

The offer has been extended. Sir Hugh Byatt, chairman of EFM Dragon, said: "The way is now clear for shareholders and warrant holders to accept the offers in order to merge Drayton Asia with Dragon and create the largest pure Asian investment trust in the

per ordinary share and 27.5p per £1 nominal of loan stock. Earlier this month the directors advised shareholders to reject the bid and retain an ongoing interest. The shares closed down Mp on Friday at The group's survival, how-

ever, is now in doubt if it cannot find funding - either through project finance or asset sales - before the middle of 1993, £100m.

Cross Border Maa Deals					
BIDDER/INVESTOR	TARGET	SECTOR	VALUE	COMMENT	
Kabi-Pharmacia (Sweden)	Erbamont (fally)	Pharmacuticals	£916m	Montedison agrees sale	
Anheuser-Butch (US)	Grupo Modelo (Mexico)	Blewing	2336m	Near-18% stake a first	
Warner-Lambert (US)	Wikinson Sword (intl)	Tolletries	£100m	Changing inands again	
REA (UK)	Hastely (Switzerland)	Electrical engineering	286m	BBA creating	
MA (UK)	MWB (Germany)	Electrical engineering	£21m	Distribution equipment group	
Minoroo (Luxembourg)	Steetley Iberia (Spain)	Construction materials	£55m	Another Recland	
Phonrix Home Life Multid Insurance (US)	Unit of Althum Hume Intl (UK)	Fund menagement	£38m	Altken exits US	
Bernrose Corp (UK)	Bernrose Yattendon (US)	Advertising	£12.5m	Buys out JV pariner	
Peterson Zochonis (UK)	Pollena (Poland)	Detergents	£2.6m	Taking 80%	
Luces Industries (UK)	JV	Auto components	n/a	30-70 initial	

Inchcape motoring to strong performance

Andrew Bolger looks at the progress of the group since the acquisition of TKM

NCHCAPE, the international motor and business 🔔 services group, is today expected to report sharply increased profits and earnings, thereby maintaining its strong performance in spite of reces-

Reporting good results will also be a significant landmark for Mr Charles Mackay, who took over at the end of 1991 from Sir George Turnbull, the group's forceful chairman and

Mr Mackay had already been chosen to work as chief executive alongside Sir George, but the chairman's sudden illness meant the succession had to be brought forward at very short notice. Sir George, who died in December, helped transform the former colonial trading house into a premium-rated FTSE-100 stock, which cur-rently has a market value of more than £3bn.

When Sir George became ill, Mr Mackay, who had led the Far Rastern operation, was in London negotiating the £382m equisition of Tozer Kemsley Millbourn, the motors and retailing concern. The purchase, from Brierley Investments of New Zealand, was funded by a 1-for-3 rights issue, Inchcape's first since it was floated in 1958.

Mr Mackay said there was no time for any handover: "We were right in the middle of the

TKM deal, so one could hardly have asked for a more inauspicious start. It worked very well because the TKM deal galvanised the whole company, pulling everyone together - it was very exciting. The rights was well received in the City and it gave all of us a sense of pride.

"The more fundamental thing was George's legacy - it didn't all collapse when George himself suddenly disappeared. Inchcape under George was remarkably free of company politics. That team spirit he fostered just rode on: the momentum was unstoppable. People also closed ranks and did it as a sort of tribute for

Sir David Orr, who was chairman of the group between 1983-86, stepped in to fill that role again until September, when Sir David Plastow arrived. Sir David. 60. is another motors veteran, having just retired as chairman from Vickers, the engineering that includes Rolls-Royce Motors.

The group has appointed three executive directors to the board and two non-executives in the last year. Mr Mackay said: "The people who had been brought in by George in their mid-forties woke up one day and found they were in their fifties. It crept up on us we get the right age profile for



Charles Mackay: became chief executive at the end of 1991

our board.' Mr Mackay talks enthusiastically about the TKM acquisition as a "quantum leap" for Inchcape, "it broadened the range of people we were involved with and heightened our already very strong image with motor manufacturers. We've taken on eight motor franchises in the last year more than we did in the past

A joint venture with Peugsot, to import the French maker's cars into Japan, had caused a lot of excitement. "We have had approaches from other manufacturers, to see what we could do for them - to

which our response is "hang on guys, we've just started this - let's not run before

we've learned to walk." in spite of inchcape's recent success, some observers expressed unease that the TKM deal increased the exposure to motors, lifting the proportion of sales and profits from 50 to 60 per cent.

Mr Mackay said: "One reason people are concerned is that there is a general perception that motors is a cyclical business. If you look at Inchcape and our track record, you will find that is not actually the case. We're not a Ford, and we're not a Tom Cowie [the UK motor distributor). We're a relatively unique, as an import/

distribution specialist. When a downturn comes, our spread of business across 26 countries means that we've managed to keep going through all recessions. The UK may be going through a tough time, but Hong Kong has just had a boom year - and so has Greece. There's not another motors group of which that is

The big mistake people make is in assuming that size of market determines profitability - whereas almost the reverse is true."

The chief executive also expressed satisfaction with the progress of "global streaming," that is dividing the group's

and fitness, and sheepskin pro-

cessing, fell £124,753 into the

red in the six months ended

activities by business motors, marketing and services such as shipping and insurance - rather than by location. pal 2hn hid

Mr Mackay said this process had undoubtedly started to produce benefits, although more remained to be done "One thing we have not yet got to grips with is the transfer of best practice. It's amazing how much resistance there is - just

sheer inertia." In spite of the success of the TKM deal, Mr Mackay sounds a cautionary note: "Acquisitions hit the headlines - and there's a danger there, both internally and externally, that everyone starts thinking that is what it's all about.

"To put it in perspective if you go back to 1982, our motors business made operating profits of about £10-12m. By 1991 (pre-TKM acquisition) we'd got it up to about £120m Nearly all of that came from organic growth, doing better, selling more cars, getting more efficient."

He believes 75 per cent of growth in the motors business should come from organic growth - defined as including. bolt-on acquisitions, and only about 25 per cent from larger acquisitions. "We have made it absolutely clear that does not mean we have to get that quarter - if we find the right acquisitions, we will - if we don't, we won't."

C&J Clark debate

heats up

MEMBERS of the 500-strong Clark family will meet early this week to consider alternatives to a sale of C&J Clark, the private shoe manufacturer which is the focus of an offer from foods and property company, Berisford.

The debate will be fuelled by the publication of the company's annual results and an accompanying letter calling an

extraordinary general meeting to consider Berisford's offer. The results are likely to be announced within the next

Meanwhile, it is believed that one of the four dissident directors has been rebuffed in attempts to get other bids considered. The majority of the board backs the bid from Berisford, which was invited by Clark's advisers, Schroders, to participate in the tender pro-

H Clarkson lower

Reflecting difficult trading conditions, especially in insurance, pre-tax profits of Horace Ciarkson feli from £5.5m to 50.5m for 1992.

The final dividend has been cut from 5.25p to 1p for a total of 1.5p (8p). Losses per share were 1.3p (12.9p earnings).

Turnover was down at 237.1m (£42m). At the pre-tax level, shipbroking fell to £3.5m (£4.2m) while insurance losses were £2.1m (£1.8m profits).

NEWS DIGEST

Moorfield Estates

Moorfield Estates, the property group, turned in increased pretax losses of £2.18m for the 14 months to December 31, against a restated £1.2m in the previous year. The result however, was struck after provisions of £1.13m resulting from a board review of a March 1992 portfolio valuation.

Losses per share were 30.4p (11.4p) and there is no dividend

GR in the red GR (Holdings), which has interests in property, leisure December 31. Last time there were pre-tax profits of Turnover amounted to £2.63m (£3.45m). Although

1.3p (1.5p sarnings) the group is paying an unchanged interim dividend of 0.4p. Last time there was also a special

there were losses per share of

Garton Engineering Garton Engineering, the engineering components and spe-

cial fasteners group, announced a sharp fall in pretax profits from £1.36m to 2254,561 in 1992.

The result last time was boosted by exceptional receipts from insurers following a fire

Turnover improved to 220.2m (£19.3m). Earnings per share fell from 25.84p to 4.83p and the proposed final dividend is cut to 3p (5.25p) for a reduced total. 7

Plasmec ahead

Despite adverse trading conditions, sales of Plasmec, the USM-quoted telecommunications and switching products group, rose by 19 per cent to £14.4m in 1992, while pre-tax profits climbed from £179,822 to £672.472.

Earnings per share were 10.4p (2.5p), while the recommended final dividend is 2.25p for a total of 3.75p (2.5p).

Mr John Crosse, chairman, warned that the first half would be disappointing, but he was cautiously optimistic that the second half would show a significant improvement

This announcement appears us a matter of record only.

METANOL DE ORIENTE, METOR, S.A.

U.S.\$204,000,000

Project financing for a 737,000 metric tons p.a. methanol plant at Jose, Venezuela

Major Shareholders

Petroquímica de Venezuela, S.A. Polar Uno C.A.

Mitsubishi Corporation Mitsubishi Gas Chemical Co. Inc.

U.S.\$134,000,000

Term Loan

Provided by

International Finance Corporation

and through participations in the HC loan by

Underwriters

Banque Indosuez

The Long-lerm Credit Bank of Japan, Limited

The Mitsubishi Bank, Limited Swiss Bank Corporation

Crédit Lyonnais

Société Générale

ING Bank

Participants

Banque Nationale de Paris Dresdner Bank AG

The Mitsubishi Trust and Banking Corporation

Union Bank of Switzerland Deutsche Bank AG

'I'he Dai-Ichi Kangyo Bank, Ltd. Banque et Caisse d'Epargne de l'Etat Luxembourg Banque Française du Commerce Extérieur

> U.S.\$70,000,000 Co-Financed Term Loan

U.S.\$42,000,000

Provided by

U.S.\$28,000,000

Provided by

Lead Manager and Managing Agent The Export-Import Bank of Japan

Co-Lead Manager and Administrative Agent The Long-lerm Credit Bank of Japan, Limited

> Manager Deutsche Bank AG Participant ING Bank

The undersigned acted as financial advisors to Metor, S.A. and structured and arranged the financing.

International Finance Corporation

Banque Indosuez

March 1993

Business Week

This week's topics:

IBM's New Boss

Why Yeltsin May Prevail

New French Regime Faces Many Obstacles

Clinton Can't Put Off Foreign Policy

Cariton Communications' Michael Green

(For subscriptions: From UK call 0628 • 23431) Now available at your newsstand!

BusinessWeek international 14, av d'Ouchy, CH-1006 Laussanne Tel. 41-21-617-4411 For subscriptions call UK 44-628-23431 Hong Kong 852-523-2939

SAKURA FINANCE ASIA LIMITED

(incorporated in the Cayman Islands)

US\$ 1,200,000,000 Subordinated Floating Rate Notes 2000

In accordance with the provisions of the Notes, notice is hereby given that the interest rate for the three month period commencing 29th March, 1993 will be 3.55% per annum. Coupon Payment Date 29th June, 1993.

> US\$9,072.22 on Notes of US\$1,000,000 US\$4,536.11 on Notes of US\$ 500,000 US\$ 907.22 on Notes of US\$ 100,000

Coupon Amounts will be

SAKURA TRUST INTERNATIONAL IJMITED Agent Bank

U.S. \$100,000,000 Floating Rate Subordinated Loan Participation Certificates Due 2000

issue by

Merrill Lynch Bank AG for the purpose of funding and maintaining

a subordinated loan to The Saitama Bank, Ltd.

Notice is hereby given that for the Interest Period from March 29, 1993 to June 29, 1993 the Certificates will carry an Interest Rate of 3.575% per annum, The amount of interest payable on June 29, 1993 will be U.S. \$91.36 per U.S. \$10,000 principal amount of

By: The Chase Manhattan Bank, N.A. London, Agent Bank March 29, 1993



ANNUAL GENERAL MEETING

Notice is hereby given that the 152nd Annual General Meeting of Provident Musical Life Assurance Association ("the Association") will be held at the Barber Surgeons' Hall, Monkwell Square, London EC2Y SBL on Wednesday, 21 April 1993 at

To adopt the Report and Accounts for the year ended 31 To re-elect the Rt. Hon. Lord Famham, who retires by rotation, as

To re-elect Mr Peter Neville Buckley, who retires by rotation, as a Director of the Association

To re-elect Mr Raymond Percival St. George Cazalet, who retires by rotation, as a Director of the Associat To re-appoint Price Waterhouse as Auditors of the Association, to hold office until the conclusion of the next Annual General

Company Secretary, 3 March 1993

A member emitted to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him or her. A proxy need not be a member of the Association. A form of proxy can be obtain

Provident Mutual Life Assurance Association Registered Address: PO Box 568, 25-31 Moorgate, London EC2R 6BA Registered in England no 8870





Bank of Tokyo (Curaçao) Holding N.V. U.S.\$800,000,000

Subordinated Guaranteed Floating Rate Notes Due 2000

Guaranteed on a subordinated basis as to payment of Principal and Interest by

The Bank of Tokyo, Ltd.

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the three months period 29th March, 1993, to 29th June, 1993, has been fixed at 3-5000 per cent per amum. Coupon No.11 will therefore be payable on 29th June, 1993 at US\$ 4,472-22 per coupon from Notes of US\$50,000 nominal and US\$ 447-22 per coupon from Notes of US\$50,000 nominal.

The Bank of Tokyo, Ltd.

London

OFFICIAL NOTICE DHARS WEIGHT TROY DUNCES

We have been requested to issue replacements/duplicates of these warrants, Anyone claiming title to these goods is invited to enter protest by means of a Summone against the delivery of the said material or the issuing of substitute warrants.

G. SHAW LOVELL & SOMS LTD. PLANTATION HOUSE, 31-5 FENCHURCH STREET, LONDON ECOM SOX

Weingart

Songertib

ं उद् EAT. 74

·V*

MARCH 29 1993

ies by business marketing and send shipping and send sather than by local ackay said this process ackay said to be formatined to be formatined to be formatined to the process acknowledged the said to the said the said to the said the

esistance there is no certia.

The of the success of the color of the success of the color of the success of the color of It's diff about.

Set it in perspective to tack to 1982, or business made one distribute to the term of the first acquiring acquiring acquiring acquiring acquiring the term of the term o or about file at the state of about file at the file a

acquisitions, and 5 Der cent from by tions We have make ely clear that does r have to get that we find the right and we will - if we do over improved to the). Earnings per 🍁

The for a reduced by nec ahead interse trading on sales of Plasmer, t sorted telecommun

:::u of 4.75**p** (**159**) thin Unisse, that a that the first or discubblinting to utiously optimists ार के मिली प्रतासी है

Name of Street

era era alle large ett aptillet -, c = ∂ C2R 594

Holding N.V. CO

, Ltd.

110.

in the motors have come from one defined as inch

11 15 84p to 1830 and d final dividend by

and switching prerose by 19 per can. to while pro danced from 1750 thas per share a 2 Spr. while the no filmi dividend st

MEETING Marketon i Para 出版機画 , in the Participant

The Control of the Control The test to the same of the sa a dia karangan da karangan basar basar

The second secon UAL 🗐

greed ue 2000 2.50 4 41.2525 as Instrust by

AS UP: THAT WEEK

here we want to here with the second second

Banesto arm launches Pta12bn bid

LA CORPORACION Banesto, the Spanish industrial holding company, is bidding for the 64 per cent of Spanish property group Inmobiliaria Urbis it

does not already own. AP-DJ reports from Madrid. La Corporacion, owned by Banco Espanol de Credito, the Spanish bank is offering Pia600 a share, plus Pta50 per subscription right to a capital increase, valuing the stake at more than Pta12bn.

 Sun Hung Kai Properties, the leading Hong Kong property development company controlled by the Kwok family, has announced a 21 per cent rise in net profits for the first half to December to HK\$3.24bn (US\$420m), up from HK\$2.67bn a year earlier, writes Simon

Davies in Hong Kong.

The interim dividend is set at 45 cents a share, up from 39 cents. In spite of uncertainty on the Sino-British dispute over political reform, demand for its residential projects had Mr Prendergast said the flo-tation would be schemiled for

been strong so far this year. · Bricsson, the Swedish telecommunications group, is plan-ning a convertible bond issue worth up to SKr2.17bn (\$281m), to help finance acquisitions, writes Christopher Brown-

Humes in Stockholm. Assuming current market conditions, the interest rate will be about 5 per cent and on full conversion 8.4m shares will be created, equal to 4 per cent of the shares in issue.

• BTP Fougerolle, the French construction group, shrugged off the building industry slump to muster a modest increase innet consolidated profits of 2.2 per cent to FFr410m (\$73.2m) in 1992 from FFr401m the year before, writes Alice Rawsthorn

It suffered losses on its property interests and was forced to make hefty provisions on the fall in value of its properties. Fougerolle, its construction business, increased net profits in spite of a 6 per cent fall in sales to FFr37.2bn.

 Kensallis Osake-Pankki and Union Bank, two Finnish banks have had their short-term ratings upgraded to Al from A2 by IBCA, the European ratings agency, writes Christopher Brown-Husses.

Redemption Date (the "Redemption Price").

Dated: March 22, 1993

Vesteys to put half of NZ meat group up for sale

By Terry Hall in Wellington

WEDDEL New Zealand, the meat company owned by the Vestey family of the UK though their Union International group, plans sharehold-ing changes including a search for a new large shareholder. This follows a decision by the Vesteys to sell assets to

restructure their businesses. Mr John Prendergast, Wed-del managing director, said the family planned to sell about 50 per cent of the company, which is the fourth largest in New

One option was to find an overseas investor to buy 30 per cent of the company, and sell the remaining 20 per cent through a public flotation in

Weddel has appointed Buttle Wilson, a New Zealand sharebroking firm, and S.G. Warburg of the US to advise on a trade sale, and Cavill White Securities, another New Zealand broker, to advise on a public flotation.

the last quarter of this year ker and manager.

with Cavill White as lead bro-Weddel operates five large processing plants in the North Island. In 1992, it recorded sales of NZ\$563m (\$296.3m). It processes and markets 11 per cent of the country's mutton and lamb, 17 per cent of its beef, and 27 per cent of its

Terry Robinson: keen to keep

a large strategic holding

tionally through the Weddel brand, the world's largest and most recognised internationally traded mest brand.

The company has shareholders' funds of NZ\$70m, and has operated in New Zealand since 1900. Mr Prendergast said the capital raised would enable it to undertake a number of pro-

Mr Terry Robinson, Union International chief executive, said Weddel had traded succesafully and because it held an important part in the global meat market, Union International was keen to retain a large strategic shareholding. Weddel's position would be enhanced by winning an appro-

priate pertuer and from addi-tional funding.

"This proposed restructuring would enable Weddel to optimise its trading opportunities from the increasingly competi-tive position of the New Zealand meat industry and from improving prospects of global trade arising from the Uruguay round of Gatt negotiations,"

Crédit Lyonnais hires agency

By Alan Friedman in New York

CREDIT Lyonnais, the state-owned French bank that controls MGM, the loss-making Hollywood studio, bas taken the unusual step of hiring Creative Artists Agency (CAA), the leading Hollywood talent agency, to advise on the management and strategy of the bank's \$3bn entertainment industry losn portfolio.

The hiring of CAA, whose

chairman Mr Michael Ovita is

By Emiko Terazono in Tokyo

RENOWN, Japan's largest

clothing maker which owns

Aquascutum, the UK retailer, posted continuing losses for

the six months to the end of

January due mainly to sing-

gish sales of women's wear.

Renown changed its accounting year-end to January 31 from December 31. It reported non-consolidated pre-tax losses

of Y6.41bn (\$65.7m) for the six

months. This compares with

Notice of Redemption

To the Holders of

Weingarten Realty Investors

Convertible Debentures Due 2003

NOTICE IS HEREBY GIVEN, pursuant to the provisions of Section 1105 of Indenture dated as of

May 9, 1988 (the "Indenture"), between Weingarten Realty Investors ("Company") and Chemical

Bank, as Trustee, that pursuant to Section 1101 of the Indenture, the Company has elected to redeem

all of its outstanding Convertible Debentures Due 2003 (the "Debentures") on April 22, 1993 (the

"Redemption Date") at 106% of the principal amount thereof, plus accrued interest thereon to the

On the Redemption Date, the Redemption Price on the Debentures will become due and payable

upon presentation and surrender thereof (in the case of coupon bearer Debentures together with all

appurtanant coupons maturing subsequent to May 9, 1993 attached) at the main offices of Chemical

Bank in London and Frankfurt, at the main office of Kredeitbank N.V. in Brussels and at the main

The Conversion Price is U.S. \$29.50 for each U.S. \$1,000 principal amount of Debentures per Common Share so converted. The right to convert the Debentures will terminate at the close of business on the Redemption Data. Debentures to be converted should be surrendered at the offices

Under the Interest and Dividend Tax Compliance. Act of 1983, we may be required to withhold 31% of any gross payments made within the United States to certain holders who fail to provide us with, and certify under panalties of perjury, a correct tempayer identifying number (employer identification number or social security number, as appropriate) or an examption cartificate on or before the date the securities are presented for payment. Please therefore provide the appropriate certification when presenting your securities for payment.

On and after the Redemption Date interest shall cease to accrue upon the Debentures.

considered the most influential power broker in Hollywood, comes in the wake of controversy, lawsuits and a flood of red ink from MGM.

Crédit Lyonnais took control of the studio last year after a bitter court battle with Mr Giancario Parretti, the controversial Italian financier who received a \$1bn loan from the bank to buy MGM in

For Mr Ovitz the deal with Crédit Lyonnais marks another

Renown remains in red for six months

losses of Y14.88bn for the seven

months to the end of July 1992.

pared with Y109.2bn for the

earlier seven months, having been hit by falling consumer

demand in Japan. Net losses

emerged at Y5.99bn against

Y14.88bn and losses per share at Y21.61 against Y68.92.

The directors recommended

a dividend of Y3.75 a share for

the six months, against the

For the 12 months to Jahu-

previous seven months' Y4.4.

By: CHEMICAL BANK,

Sales came to Y113.5bn, com-

step towards his goal of expanding from the bandling of movie industry talent to

investment banking. Mr Ovitz has worked on deals such as the \$6km acquisi-tion of MCA/Universal, the Hollywood studio, by Matsushita of Japan and the \$3.4hn purchase of Columbia Pictures by Sony of Japan.

MGM is believed to have suffered a 1992 operating loss of about \$20m, or half the previ-

ary 1994, the company hopes to

return into the black, expect-

ing pre-tax profits of Ylbn on

The company based its

improved forecast on an

increase in the number of

shops, expected strong demand

for the Aquascutum and J.

Crew brand clothes and the

introduction of the group's own brand, Next Eye, Renown

introduced Aquascutum brand

clothes in Japan last autumn

BANK OF QUEENSLAND LIMITED

US\$120,000.000

MULTIPLE OPTION FACILITY

AGREEMENT DATED SEPTEMBER 22, 1992

IN THURSET EMBER 25, 1972 is nanordance with the provisions of the Transferable Loan Cartificate isymed on Separathr 28, 1993, notice is tensby given dut for the six month intensit period from March 21, 1993 to Separathr 29, 1993 the Cartificate will many an intensit Rate of 3,90% per munical Bardeys Bank PLC, Hong Kong An Account

Appointments

Advertising

appears every

Wednesday & Thursday

Friday

(International edition only)

and J. Crew in spring 1992.

sales of Y102bn.

dividend and plans rights issue

ADIA, the troubled Swiss employment agency which plunged into loss last year, has passed its dividend for the second year running and proposed a recapitalisation involving a SFr250m (\$166m)

rights issue. The net loss, at SFr219m, was alightly larger than estimated in January, and compares with a profit of SFr25m in 1991. The group faced heavy restructuring costs following emersive diversification in the late 1980s when it was controlled by Mr Werner Rey, the

Revenues were flat at SFr3.2bn. Core businesses accounted for SFr128m, noncore businesses SFr5m, with the remainder coming from write-offs. Net debt at year end was SFr922m compared with SPrl.48bn a year earlier.

The directors proposed cutting nominal share capital to nominal participation certifi-cate capital to SFr2m from SFr20m. A rights issue would be launched, on the basis of 11 bearer shares at SFr100 for each nine held and 11 class B participation certificates at SFr100 for each 45 beld.

The rights issues would be underwritten to the extent of SFr200m by Mr Klaus Jacobs and Asko Deutsche Kaufhaus, which between them hold 56.2 per cent of the votes and 43.2 per cent of the capital. .

Asko said it would consider selling its stake in 1994 or later once the group had returned to profitability. Adia said it could have a small loss

| Adia passes | Exceptional gains lift Belgian retailer as sales growth slows

UNDERLYING profits at Delhaize "Le Lion", Belgium's largest retail group, slipped in 1992, and sales growth slowed. However, the group announced a 46 per cent rise in net consolidated profits, because of exceptional gains on

the disposal of Treasury stock and the sale of its Pingo Doce

supermarkets in Portugal. The company, which forecast sharp increase in profits in January, reported net consoli-dated profits of BFr6.38bn (\$189.3m), against BFr4.37bn in 1991. Stripping out the exceptional gains, net profits merged at BF13.86bn. The directors are recom-

mending a net dividend of BFr20 per share, against BFr17.4 in 1991, and an additional BFr6.6 a share to celebrate the group's 125th anni-

Overall sales rose by 5.3 per cent to BFr327bn from

BFr310hn, in spite of a 7 per cent fall in the value of the dollar. Turnover was domi-nated by the Belgian stores

which increased sales by 6.3 per cent to BFr91.1bn. In the US, the group blamed a sluggish economy and last year's alleged attempts to "smear" the reputation of the Food Lion stores for a 13.2 per cent fall in net profits after depreciation. Sales increased by 11.8 per cent to \$7.2bn, but net profits dropped to \$178m from \$205m. Despite the US difficulties, Food Lion increased its chain from 881 stores to 1,012 and intends to open up to

110 supermarkets this year. Sales slowed at Super Dis-count Markets based in Atlanta, but it returned to the black with net profits of \$600,000. Delhaize said its Czech subsidiary, which operates seven stores in Prague, Greek operation increased operating profit.

Girocredit cuts pay-out as profits slip to Sch1.3bn

By Eric Frey In Vienne

GIROCREDIT, Austria's third largest bank, has reported an 18 per cent fall in 1992 operating profits to Schl.3bn (\$113m) from Sch1.58hn.

The bank employed Sch2bn in hidden reserves to cover provisions for bad loans last year - less than half the smount in 1991.

The dividend to its shareholders, who consist of various Austrian savings banks, has been cut from 8 per cent to 3

per cent. Mr Hans Haumer. chairman, forecast an increase in 1998 earnings after operating profits for the first two months climbed 17 per cent from the year earlier level.

Assets of Girocredit climbed per cent to Sch324bn from Sch315bn. Girocredit, which acts as a clearing house for Austria's savings institutions, is in talks with Erste, the Vienna-based savings bank, and several leading provincial banks to combine most of the savings and loans sector.

Publicis earnings steady at FFr148.9m

By Alice Rewitthom in Paris

PUBLICIS, one of France's largest marketing services groups, maintained net profits at FFr148.9m (\$26.7m) last year in the face of fierce competition in the European

advertising market. Mr Maurice Lévy, chairman, said that in spite of the diffi-cult trading climate Publicis had produced a "satisfactory performance" during the year. The group's turnover was static, at FFr19.9bn although Publicis said it would have risen by 5 per cent if there had been constant exchange

European advertising agencies had a tough time in 1992 because of the economic slowdown and the long-term trend away from conventional media advertising to other forms of "below the line" marketing, which are often less profitable. These problems were aggravated in France by concern about the effect of le loi Sapin, the new regulations on media buying.

However, Publicis managed to compensate for the sluggish state of the market by winning new business. Its new accounts include the advertising for Perrier and Vittel mineral water, which it was awarded by Nestlé, the Swiss food group, following Mr Lévy's role in co-ordinating Nestlé's communications strategy during its bid battle for

Mr Lévy said Publicis hoped to maintain sales in 1993, but warned that profits could be affected by the impact of le loi Sapin and by continued cuts in marketing budgets.



GROWTH IN 1992 CONSOLIDATED EARNINGS

The BSN Board of Directors, meeting on March 23, 1993, examined the audited Group consolidated financial

As announced at the end of January 1993, Group net income amounted to FF3,638 million, up 5.6% on the 1991 result of FF3,445 million excluding non-recurring items associated with the divestment of the champagne

Cash flows from operations increased by 7% to FF7,399 million.

THE MAIN CONFOURATED DATA FOR 1001 AND 1000

THE MAIN CONSCUDATE	D DAIA FOR 1991	AND IYYX
ff millions (except IPS, in FF)	1991"	1992
Soles	66,069	70,840
Operating income Net income [Group share]	6,701 3,445	7,117 3,638
Eornings per share (bully diluted)	53.30	55.60
Cash flows from operations Capital expenditures	6,918 3,358	7,3 99 3,597
Free cosh flow	3,560	3,802
Challand and	24.257	29 140

Operating income (i.e., income before net interest expense and income taxes) by Division is shown below:

recurring stems resulting from the divestment of the chargogne bus

firer' (alconne nerole ner inseres) ex	pense ona income raxe	al mà mision is	
ff milions	1991	1992	
Dairy, Products Grocery Products & Pasta	2,083	2,537	
Grocery Products & Pasta	1,224	1,027	
Biscuits	1,202	1,102	
Beer	806	899	
Mineral Water	719	908	
Containers	789	730	
Total operating income of Divisions	6,823	7,203	
Unallocated items	(122)	(86)	
	**** ****** ** *** * * * * *** **** **		

Pairy Division company Danone S.A. in Spain has been consolidated since July 1, 1991.

Group operating income

1992 figures include for the first time income from Gracery & Pasta Division companies France Plats Cuisinés in France and Pycasa (frazen foods) in Spain, Biscuit Division company W&R Jacob in Ireland and Mineral Water Division company Italaquae in Italy.

PROPOSED DIVIDEND PER SHARE

The Board of Directors approved 1992 financial statements for BSN, the parent company of the Group. Net income of the parent company amounted to FF1,186 million. In 1991, net income of the parent company amounted to FF819 million excluding a capital gain on the sale of champagne assets.

The Board of Directors is to ask the General Meeting of Shareholders' on May 18, 1993 to approve a dividend of FF15 per share out of 1992 income, setting the total dividend per share, inclusive of tax credit at FF22.5. After adjustment for the one-for-ten bonus stock issue made in August 1992, this represents an increase of 13.8% on the dividend paid out of the previous year's income.

As was the case last year, shareholders will be given the option of receiving their dividends in shares issued at a price equal to 90% of the average of opening prices on the 20 trading days preceding the General Meeting of Shareholders ex-dividend.













SOCIETE GENERALE JPY 5, 000, 000, 000 7% Bull Bonds due 1993 (the "Buil Bonds") and JPY 5, 000, 000, 000 7% Bear Bonds due 1993

office of Banque Internationale a Luxembourg S.A. In Luxembourg.

(the "Bear Bonds") Notice is hereby given that the Redemption Amounts applicable to the Bull Bonds and to the Bear Bonds on 6th April 1993 (the maturity date) have been calculated as follows, according to the formula described in condition 4."Redemption and Purchase" of the

Terms and Conditions of the Bonds:

 a) Bull Bonds: 108.39 - 20.55 = 87.84%, i.e a redemption amount of JPY 8,784,000 per each Buff Bond in the denomination of JPY 10,000,000 b) Bear Bonds; 195.45 - 108,39 = 87.06% i.e.

a redemption amount of JPY 8,706,000 per each Bear

Bond in the denomination of JPY 10,000,000 where 108.39 is the final futures settlement price on the Tokyo Stock Exchange of the Japanese Government Bond Future Contact with a standardised coupon rate of 6% and a standardised maturity of 10 years, redeemable at par having its settlement

date on 8th December 1992. The Fiscal Agent, SOGENAL SOCIETE GENERALE GROUP 15, Avenue Emile Reuter LUXEMBOURG

NOTICE OF PAYMENT to Holders of OLYMPIA & YORK FIRST CANADIAN PLACE LIMITED 11.00% Series 3 Secured Bonds due 1993

NOTICE is hereby given that on March 31, 1995 a partial payment of Cdn.\$55.00 for each Cdn.\$1,000 principal amount of Olympia & York First Canadian Place United 11% Series 3 Sectured Bonds due 1993 (the "Series 3 Bonds") will be available to holders from The Royal Trust Company, trustee under the Trust Deed dated as of September 19, 1988 pursuant to which the Series 3 Bonds were issued. Holders may obtain partial payment on this date by presenting the original Series 3 Bond certificate to any of the following paying agents:

Back of Montreal London Office 11 Widbmolt, 2nd Rings London BCON SED

2 Boulevard Royal Credit Suisse

Kredietbank N.V. 7 Rue d'Accobern 1000 Boundles limit of Morrout Main Office

Pirst Carnellan Place

Toronso, Omenio, MSX IAI Series 3 Bonds presented for payment will be marked to show the partial payment and returned to the holder. No interest or other income on or in respect of the payment amount will access to holders presenting Series 3 Bonds after March 31, 1993

Persons having an interest in Series 3 Bonds animained in the Baroclear or Cedel clearing systems need not present such Series 5 Bouds for payment, as arrangements have been made for the payments in respect of such Series 3 Bonds to be made

through the clearing syste Any inquiries concerning the payments may be directed to the Principal Paying Agent Bank of Montreal, London Office, Amendion: Manager, Fiscal Agencies, religione Dated this 29th day of March, 1993.

THE NOVAL TRUST COMPANY

The pitfalls of peering into the future

"THE result of leaving the Policy Forum last July was of counter-inflationary credibil-European exchange rate mechanism, combined with large cuts in interest rates, would be a fall in the pound probably unprecedented in the last 40 years... And quite soon interest rates would have to go back up again - to much higher levels than they are today." - Mr Norman Lamont, UK chancellor of the exchequer, July 10 1992.

RECENT events in the gilts market have underlined the pitfalls of peering into the future. Not only have short-term interest rates fallen since Britain was forced to leave the ERM last September, but the same trend has been apparent for long-dated gilts which are more important in determining long-term borrow-

ing conditions. The events of the past six months illustrate that the economic theory behind the chancellor's speech to the European

extremely flimsy. They also indicate the degree to which the environment for international bond markets has improved, due to slow growth and generally weak inflationary pressures in many parts of

the developed world.

Even though last week yields for most classes of gilts moved up ahead of this week's bigest-ever gilt auction, the market has performed far better in recent months than most people in the Treasury and the Bank of England appear to have expected last autumn.

Mr Mervyn King, the Bank's economics director, spelt out in a speech last week how official thinking has shifted "Departure from the ERM led to sharply lower expected interest rates in the short run.

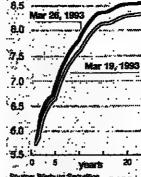
"By contrast, rates in the long run were expected to be higher than before, suggesting that that there was some loss

ity from our [ERM] exit. But this loss was small, and since then there appears to have been some restoration of long-

run credibility." Since the ERM exit, bank base rates have come down from 10 per cent to 6 per cent. Ten-year gilt yields have dropped from 9.1 per cent to 7.7 per cent, while yields for 25year bonds have moved from 8.8 per cent to 8.5 per cent. Over the same period, the

difference between yields for 10-year gilts compared with 10year German government bonds has come down from about 1.5 percentage points to about 1.1. This indicates interinvestors have national reduced the extra "risk premium" they demand for holding UK securities as opposed to German ones.

The move to lower gilt yields has partly reflected the shift in this direction for virtually all



UK gilts yield

estated at par (%)

the main bond markets since the autumn. It also underlines reduced worries about price pressures in the UK economy over the next year or so, together with only muted concern about the level of gilt issues needed to finance the growing public sector borrowing requirement.

Meanwhile, buying pressure for gilts has been helped by the more resilient tone to sterling in recent weeks.

The pound gained 1 pfennig on Friday to close against the D-Mark at DM2.43, some 10 pfennigs up from its DM2.335 level at the beginning of the month.

Over the next few months, many bond specialists expect gilt prices to fall with a consequent rise in yields, as the implications of the expected 250bn PSBR in the financial year beginning next week sink

Such thinking was a factor behind the 15 basis point increase in yields at the long end of the gilt market last week, with attention focusing on the £3bn auction next Wednesday of a new class of 20-year stock - the 8 per cent bond due in 2013.

News of the amount of stock due to be auctioned by the Bank led to some technical switching down the yield curve, leading to a price fall on the week of about 2 points as measured by the June gilt

The reduction in prices probably augurs well for the success of the auction - the first in a series due roughly once a month over the coming year as it increases the probability that foreign and domestic buyers will want to buy gilts.

AMERICAN EXPRESS 0 00. AMERICAN GENERAL 9 3/4 (IL AMERICAN INTL 0 04. AMOCO CANADA 7 1/4 02.

Peter Marsh

Fears of inflation continue to haunt bond investors

for the US Treasury bond market. Investor sentiment continued to be increasingly bearish. the price of the benchmark 30year Treasury bond fell by more than one and a half points on the week and fears about inflation were still

haunting the market. Bond investors have in the last few weeks convinced themselves - albeit in a rather artificial and perhaps even mistaken manner - that they were staring at all the ingredients needed for a sell-off.

Since mid-March, when fears of inflation were rekindled by statistics that in retrospect seem misleading, the market has been in a distinctly sour Last week this worsened

after professional dealers ended up holding the bulk of more than \$26bn worth of new two and five-year Treasury notes that were auctioned. The malcontents of the market prevailed so substantially

that it turned out to be of little consequence when, last Thursday, the Senate approved President Clinton's deficit-reducing budget package faster than had been expected.

Bond prices continued to slide on Friday and the only explanation is that all the good news about the deficit reduction measures and prospects

9 1/2 96 N 6 1/2 99 TEW MSN 8 1/2 96

OWEDISK EXPORT 8 2/8 98.
TRYSSEN FINANCE 7 1/2 99.
TOHOUG LEC POWER 7 3/4 97.
TORNO LEC POWER 1 3/4 97.
TORNO LEC POWER 8 3/4

OR 5 5/8 98.... OR CRED 8 1/2 94...

当

LAST week was not a good one for economic recovery had already been priced into the market back in January, at the time of Mr Clinton's state of the union message.

Ms Kathleen Camilli, chief economist at Maria Fiorini Ramirez, the bond market advisory firm, reckons the perceptions of both faster growth and higher inflation have been overdone.

She, like other economists, says the reason is that some of the recent consumer price and producer price statistics overstate inflationary pressures. "In reality, inflation is still running at about 3 per cent annually and it will continue to be held down by global competitive pressures and moder-

ate wage gains."
Mr Philip Braverman, DKB Securities chief economist, takes a similar view: "For the moment the market is responding to misleading suggestions that the economy is strengthening, that inflation is mounting and that credit growth is beginning to accelerate." in fact, according to Mr Braverman, credit is still constrained and inflation will dissipate with a renewed economic slow-

down, Since the February employ-ment report was released on March 5 the bond market has been functioning in a trading range of yields between 6.75

FT/ISMA INTERNATIONAL BOND SHRVICE

30-year paper. On Friday, the price of the 30-year Treasury bond was 1024 to yield 6.94 per cent, compared to a price of 103 and a yield of 6.81 per cent a week before. The current yield is the highest level since January.

It didn't help matters that last week's auction of \$15.256n of two-year notes and \$11bn of five-year notes put the paper mainly in the hands of professionals. Retail buyers remained on the sidelines.

This week the market will focus on the new unemployment report that is due to be released on Friday. Ms Camilli forecasts an unchanged unemployment rate of 7 per cent and the addition of 137,000 payroll jobs for the month. That compares to a February rise of 365,000 such jobs, but this num ber will probably be revised downward by about a sixth.

Mr Braverman argues that Treasury bond investors should not only reverse their sell-off mentality, but expect lower yields in the near term. However, this will depend on other factors such as the first quarter GDP report, to be released at the end of April, and the Treasury's plans for its May refunding operation, to be announced in early May.

Alan Friedman

150 200 110% 100% 6.37

ary Stages of

4-

PRANCE 7 1/4 08...... 7 1/4 99.....

Budget deficit worries bolster yields

A BOUT of nervousness struck overseas interest rates. the Australian government bond market last week as it became clear that the reelected Labor administration and the Reserve Bank are heading for a disagreement about the growing federal bud-

The unease sparked a wave of selling on Friday which raised yields across the board. The yield on the October 2002 Treasury bond rose 30 basis points to 7.93 per cent, that on the September 1995 bond increased by 10 basis points to 6.38 per cent. and 90-day bank bills finished two points higher

The sell-off interrupted a sus tained raily which had cut the vield on the 10-year bond from around 9 per cent in mid-January to just over 7.5 per cent on

The rally was triggered by a catalogue of factors, including a reduction in inflation to an OECD low of 0.3 per cent; signs that economic growth is beginning to pick up; receding prospects of a balance of payments crisis; and a firmer Australian dollar following cuts in

The announcement of an early election, subsequently won by the incumbent Labor Party, also helped by eliminating political uncertainty and increasing the prospects of a cut in official rates, which

In the event, the Reserve Bank restricted the easing to half a percentage point, disappointing the equities market, but in line with expectations in the bond market which had marked down the yield on 90day bills to 5.26 per cent before

the announcement. The rosy outlook dimmed on Friday, after Mr John Dawkins, the finance minister let it be known that he regarded the budget deficit as a less important issue than the need for growth to reduce unemployment from its near record level of 11.1 per cent.

Mr Dawkins' view was in stark contrast to a warning issued earlier in the week by Mr Bernie Fraser, the Reserve Bank governor, that the deficit must be reduced over the medium term to provide room

STOCKLEY HOUSE LIMITED (a single purpose Jersey company)

has acquired

STOCKLEY HOUSE

130 Wilton Road, London SW1 a 68,500 sq ft office investment

£26,550,000

Financed by

BANK OF SCOTLAND

This transaction was initiated by, the equity

placed, and the bank finance arranged

resumably aware of the impact his reported views were likely to have on the bond market, since a similar outbreak of concern about perceived fiscal laxity after his August 1992 eventually materialised last budget pushed the 10-year bond yield from about 8.3 per

> A\$15.9bn in the year to June. "An explanation is needed,"

said one trader. "If this guy is serious, then bonds should not be at current levels."

that an expansionary fiscal pol

for an increase in private The finance minister was

wanted rapid confirmation from the government that it remains determined to reduce the deficit, which is forecast at

However, Mr Dawkins failed to clarify his reported views, leaving the market stewing over forecasts by business economists that the deficit could rise to A\$20bn next year unless urgent action is

cent to more than 9 per

Ms Ivana Bottini, an economist at Citibank in Sydney, says the market's main fear is

·icy risks triggering a sharp rise in domestic consumption, a current account crisis and a

rebirth of inflation. Ms Bottini believes these fears are exaggerated in view of the sluggishness of Australia's recovery from the 1990-91

However, they raise the prospect that Mr Fraser might feel constrained to raise interest rates to keep inflation low and head off overseas pressure on the Australian dollar.

The optimistic view is that Mr Dawkins will take sufficient action in his August budget to convince the markets that the government is serious about restraining inflation and balancing the federal books. That would lay the groundwork for a further raily across

But the finance minister's lack of concern suggests that he intends to stand by his view that the deficit will disappear as growth accelerates.

Friday's events suggest that the market does not believe

Kevin Brown

BANQUE NATIONALE DEPARIS

USD 500,000,000 Underted Subordinated Floating Rate Notes Notice is hereby given that the rate of interest for the period from March 29th,

The Fiscal Agent Inque Nationale de Peris

US \$200,000,000 BATIF

Guaranteed Floating Rate Notes due 1996 with Guaranteed Floor Warrants

For the period from March 29, 1983 to September 29, 1993 the Notes will carry an interest rate of 35.75 per annum with an interest amount of US \$178.89 per US \$10,000 Note. The interest amount per Flour Warrant tranche A: US \$23.00

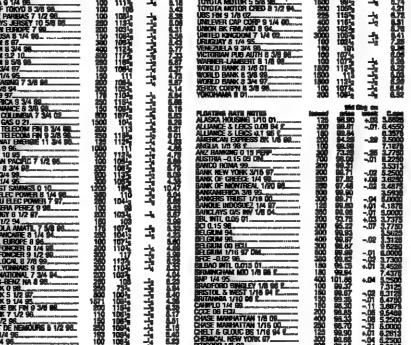
The interest amount per Floor '
uranche B; US \$16.61 The relevant interest pays be Suptember 29, 1983.

Société Anonyme

NEWBURY Building Society

Interest Rate Charge Notice TESSA 7 Type: New rate will be 6.45%

Head Office: 17/20 Bartholomew St.Newbury, Berkshire RG14 5LY (0635) 43676



7 3/4 97 CARD TST 9 94 CARD TST 9 1/2 85... 9 1/4 96...

وقباط خطاعات فيحطيك فيطوخ يتماع غطاء 7 1/8 97..... 34 8 5/8 97....

CAPITAL TRUST LIMITED

CAPITAL REAL ESTATE LIMITED

49 Mount Street London WIY 5RE Tel: 071-491 4230

THE CAPITAL TRUST GROUP

Fax: 071-499 0524

Notice of Redemption to the Holders of

LEO 1 PLC Class A1, Class A2 and Class B Mortgage Backed Floating Rate Notes Due 2035 NOTICE IS HEREBY GIVEN that, pursuant to Condition 5(C) of each class of Notes, the Issuer has determined the following

Class 11 Principal Payment per Note : £3,700 Principal Amount Outstanding : £76,360,000 : April 1, 1993 Interest Payment Date

There will be no redemptions in respect of Glass A2 and LEO I PIC

mandatory redemption details:

Dated: March 29, 1993

U.S.\$200,000,000 Floating Rate Subordinated Loan Participation Certificates due 2000 Issued by Yamaichi International (Deutschland) GmbH for the purpose of funding and maintaining a subordinated loan to The Hokkaido Takushoku Bank, Limited In accordance with the provisions of the Loan Agreement, notice is hereby given that for the three month Interest Period from March 29, 1993 to June 29, 1993 the Loan Participation certificates will corry on Interest Rate of 3.55% p.a. and the Coupon Amount per U.S.\$250,000 nominal of the Notes will be U.S.\$2,268.06. March 29, 1993, London By: Citibank, N.A. (Issuer Services), Agent Bank CTTBANCO

-1/8 98. R FEMANCE 1/32 98 DML 444444 PROVINCIAL IVE # ZEALAND 1/8 95 # ZEALAN +01 -01 +3 +45.02 +3 +29.59 +15 +29.59 -1 +29.24 **支撑**

الحك المالية

nt and 6.92 per can a paper on Pricary to of the 30-year Press to Salar Press and a yield of press and a yield of the seek before The collaboration in the highest by idn't help many

ianuary. Ingles by idn't help matter to eak's auction of like year notes and slike ar notes put the particle in the hands of particle. Retail buyers remain suddings. week the marks is on the new themselves on the new themselves on Friday. Ms Control of the first ard by about a stop Braverman argue to not only reverse to mentality, but en

granding operation of aced in early May Alan Friedra

を発生するのである。 1000年の日本の大学の 1000年の 1000

And the second s

yields in the near be or. this will deposit factory such as the h r GDP report to a refer the end of An a Treasury's plans by

MARCH 29 1991

INTERNATIONAL BONDS

Eurobond issuance sets record in first quarter

NEW issues in the international bond market reached a record high in the first quarter of this year, reflecting a favourable environment of falling interest rates and an-increase in funding requirements, especially from sovereign borrow-

According to provisional figures from Euromoney Bondware, new Europond issuance for the first quarter to March 26 stood at \$115.20n, well above the previous record high of \$34.50n achieved in the same quarter last year. New issuance in the first three months of this year represented 42 per cent of the record \$274.4bn raised in the whole of 1992.

Syndicate managers do not believe that new issuance will continue at the same pace in the second quarter, unless there is another currency crisis in Europe. That would prompt European central banks to borrow in foreign currencles to fill up their reserves once

Many of the larger borrowers, especially the sovereign names, are believed to have achieved between 40 per cent and 60 per cent of their

100 200

100

100n 150n 150n 200n

Apr.2000 Apr.1998 Apr.2000 Apr.2003

Apr.1996 Apr.1998 Oct.1995 Oct.1996

Apr.1998 Apr.1998 Oct.1995

Apr.1998 Apr.1998 Apr.2000 Apr.1996 Apr.1996 Apr.1996

Jul. 1997

Apr:2000 Apr:1908

Jun 2003

Nov. 1998 Apr. 2000 Apr. 2008 Jul. 2086

US DOLLARS

Näppon Yusen KKisjö Keisel Electric Relivesytyö Roche Holdings(cjö Abbey Nat.Treas.Services

Geoffnance Luxembouroffel

Banco do Bri

Sam Yang Co.(0) Benco Bozeno Sino Jindo America(); AT&T

Grupo Televisajut: Grupo Televisajvi;

Suzuki Motor Corp. Suzuki Motor Corp.

D-MARKS "

STEPLING

Heter Financial(m); Fundawa Co. Mitsubiahi Peirochemical Co.

Metallonesilecheft Finance

Eleportinens Bark for Duich Municipalities

Allianz Finance(h)

FRENCH FRANCE

YEN

ex. Nessu Branchide

1998 funding requirements already in the first quarter. "The new issuance calendar is likely to be much more opportunis-tic in the second quarter, one syn-

dicate manager said.

Syndicate managers said that the high volume in the first quarter is closely linked to the rally seen in bond markets across the world, fuelled by expectations of lower interest rates, especially in

These hopes have been fulfilled by the Bundesbank's decision in recent weeks to lower its interest rates, which has in turn eased the tension between member currencies of the European exchange rate mechanism (ERM).

Falling interest rates have coincided with a large rise in borrowing needs among European countries, either to fund ever-growing public deficits or to replenish foreign exchange reserves depleted by heavy intervention in the currency market to shore up their respective

The Eurodollar sector of the international bond market continued to be the most active in the first quar-

Coupon

2.75 4.75 9.125

4.75 4.35

6.75

6.27

100 Nikko Europe
100 Norara International
100 Swiss Bank Corp.
101.05 Swiss Bank Corp.
101.05 Swiss Bank Corp.
101.05 Swiss Bank Corp.
102.05 Swiss Bank That Mil.
103.05 Swiss Bank That Mil.
103.05 Swiss Bank That Mil.
104.05 Swiss Bank That Mil.
105.05 Swiss Bank That Bank That Mil.
105.05 Swiss Bank That Bank That Mark International
105.05 Swiss Bank That Bank That Mark International
105.05 Swiss Bank That Bank That Mark International

Deutsche Bank Dreedner Bank

NatWest Capital Markets Bardays de Zoeta Wedd

100 CSF8
99.7313 Martil Lynch Intil.
100 Deservo Secs.(Burope)
101.305 CSF8
100.825 Swiss Benk Corp.
100 Chase Investment Bank
100 Crawthenatal

99.875 99.875 98.48 98.47 97.67 100 98.826 100

101.5

99.899 100.142

Ay. Se years

ter, accounting for 33.8 per cent of the Ecu market meant that the the total volume compared with 28.2 D-Mark sector was one of the few per cent in the first quarter of last

The volume figures partly reflect the growing popularity of global bond issues, a concept ploneered by the World Bank in 1989.

The process of offering bonds simultaneously in the US, Europe and Asia Pacific allows borrowers and Asia Facine allows horrowers to raise larger sums and to place the paper at the best possible price. So far this year, dollar-denomi-nated global bond issues amounting to \$8.75bn have been launched by the World Bank, the Province of Ontario, the Republic of Finland Ford Motor Credit Finland. Ford Motor Credit Company, and the Kingdom of Swe-

Euroband volume in D-Marks ross to second place or 20.2 per cent of total issuance in the first quarter, from fourth place or 10.7 per cent in the first quarter of 1992. This reflects the marked increase in demand for D-Mark paper from investors seeking a safe haven during the period of ERM currency vol-

At the same time, the collapse of

D-Mark sector was one of the few areas of the Eurobond market which offered sufficient liquidity to borrowers needing to raise large

INTERNATIONAL CAPITAL MARKETS

The volume of new Ecu bonds remained low at the equivalent of just \$1.9bn, compared with \$14.6bn in the first quarter of 1992, in spite of efforts by the French government and some of the European Community agencies to revive investor interest in Ecu-denominated

Favourable arbitrage opportunities, as borrowers moved to reduce their funding costs by borrowing in one currency and swapping into another, were the main reason for the big increase in Canadian dollar Eurobonds this quarter. Syndicate managers estimate that

large part of the equivalent of \$12.9bn worth of Canadian dollar Burobonds raised so far this year up from \$4.4bn at the same stage last year - has been swapped into other currencies.

The Eurosterling sector of the international bond market rose up the volume table, as an increasing

tional borrowers decided to lock into the lowest interest rates that the UK has seen since the

to 10.9 per cent of the total volu in the first three months of this year from 6.7 per cent in the same

period last year.

The sector saw a record for a singie transaction, as Abbey National raised £650m through an issue of 10-year Eurobonds, beating the pre-vious record of £600m held by the Kingdom of Sweden.

Apart from the Ecu sector, the other main loser in the first quarter has been the Euroyen area of the international bond market, as issuers were discouraged from borrowing in yen due to its appreciation against other curren-

New issuance in yen dropped to the equivalent of \$10.9bn from \$12.2bn in the year-ago period, while its share of the total volume fell to 9.5 per cent from 14.4 per

NEW INTERNATIONAL BOND ISSUES									
Book runner	Ciffer yeard %	Sorowers	Amount m.	Mediunity	Av. We years	Coupon	Price	Book numer	Other yield %
Ntideo Europe Nomura International Swigs Bank Corp.	 :	Leo 1(p); RTZ Canada London Bestricity Britannia Bidg.Society(c);	49.8 150 100 25	Jul.2035 Dec.1998 Mar.2003 Feb.1996	5,69 10 3,64	(p) 7.25 8 (d)	100.25 100.219 100.27 99.55	JP Morgan Securities Berdays de Zoeta Wedd S.Montagu/SG Warburg NatWest Capital Markets	7.956
JP Morgan Securities Benham Trust Intl.	4.370 9.180	CANADIAN DOLLARS							
Morgen Stanley Inti. JP Morgen Securities Chiberik Internetional ING Bank Socimer Inti Bank	11.160 9.640 11.245 11.093	Ontario Hydrolejš Beyerische Hypobanic Kingdom of Norwey Barolima. Bustopen lywestramit Bank	1.55n 100 500 125 300	Mar, 1996 Nov. 1996 Oct. 1998 Apr. 1998 Apr. 2003	3.5 5.5 5 10	7.25 7 7.25 7.125 7.75	98.7 100.5 100.845 101.185 101.135	G.Sachs/IBJ/RBC/Scotte. Hambros Bank IBJ intl./ Paribas Goldman Sachs Intl. JP Morgan Securities	7.587 6.816 7.045 6.852 7.584
Mentil Lynch Inti, CSF8 CSF8 Mentil Lynch Inti.	10.599	Mortgage Benk of Denmark Province of Newfoundlend(e) Deutsche Blu-Fin.Curaceof(t):	150 100 60	Apr.1998 Mey.2003 Sep.2002	5 10 9.5	7.375 8.75 (4)	101.071 100.425 (7)	Salomon Brothers Intl. ScotisMcLeod Deutsche Benit London	7.118 8.685
Deswoo Secs.(Gurope) CSFB Swiss Benk Corp. Chase investment Benk Chase Investment Senk	5.391 7.842	European kryestment Senk International Pinance Corp. PESETAS	300bn 200bn	Agr. 1999	5 6	10.65	101.625 101,55	Gredito Italiano Binog di Roma	10.071 10.337
Creditariabilit		European (nveetment Beniqf) SWARR FRANCIS	16bn	Apr.2008	10	11.25	101.64	Benesio .	10,972
Nikko Europe Osiwa Europe, Boldman Sacha inti.	4.457 3.957	Nippon Meat Packera(c) + @ Province of Menitoba	300 157	Apr.1997 Apr.2003	. 4	1 5.25	100	Credit Sulme UBS	4,927
(Acidorian Sacial Int. Yameichi intl.(Europa) Nikko Europa	3.944 4.455	Pinal terms and non-catable unless steral-annual coupon, a) Denoral: 11107. PC 118,967/8, o) tesuer of	10,000 + 2 1	remie placement Parrante. Etercia L Roche Shano	price: Y52	5. FX: 118.45	64. bi Denos	Flouting rate note, éVitateire 1.1 \$10,000 + 2 varrants, Euro 48 warrants; 60 varrants refe	rate note. des priest de to one

Plant control and non-classes greens research, repeate parameter, grown-races, green equity elements. Proceeding plant note, greens note in the research of the severals. Exercise price; \$55, \$55; 158,459,54, \$1 Denon; \$10,000 + 2 warrants. Exercise price; \$10,000 + 40 warrants; \$0 warrants. Exercise price; \$10,000 + 40 warrants; \$0 warrants relate to one garmanechrise of Roche Holding, Warrants have mortrant and conditional ministeum returns; \$10,000 + 40 warrants; \$0 warrants relate to one garmanechrise of Roche Holding, Warrants have mortrants and conditional ministeum returns; sunched related as but the same state of \$1,000 + 40 warrants; \$1,000 + 4

Antonia Sharpe

RISK AND REWARD

Questions over growth of banks' off-balance sheet exposure



THE counter derivatives markets may continue to expand but the off-balance sheet credit exposure of banks involved in them has ceased to

If anything, off-balance sheet risks shrank last year. That is the conclusion to be drawn from the recent accounts of three of the largest US commercial banks.

Citibank, Bankers Trust and J.P. Morgan are among the half-dozen or so of the biggest US banks in the ver-the-counter markets, alongside Chemical, BankAmerica and Chase Manhattan. Notes to their 1992 accounts show the pace at which their derivative portfolios are growing, but in a way that is not adding to their real exposures - at least, according to the banks' own mea-

surement of those risks. Between them, the three banks were involved in interest-rate related derivatives with a notional value of over \$2,000bn at the end of 1992, up from under \$1,500 a year before. However, the implicit credit risk in these instruments actually

fell, from \$26.1bn to \$22.9bn. The reason? The amount at rish is not directly related to the scale of the contracts, but to the extent to which each contract is showing a gain. In other words, if a counterparty stopped paying, say, the fixedrate leg of an interest swap agreement, the scale of the loss would depend on how profitable the swap has become to the bank.

If the payments were at 6 per cent, compared with a market interest rate of 5 per cent, then the bank would face a cost from the lost income stream. That lost income, discounted back to present value, is the replacement cost of the contract. The static or falling credit exposure of the banks last year suggests that the income they are receiving on the average interest rate contract is closer to market levels than a year before. In volatile markets, these credit figures could rise or fall sharply as the gain on particular contracts rises or falls.

According to a recent joint report from the US Federal Reserve, Federal Deposit Insurance Corporation and Office of Comptroller of the Currency, most of these risks are concentrated in a small number of

over-the-r derivatives have sophisticated ways of measur-ing and controlling their derivatives exposures. Their report - Deriva-tive Product Activities of Commercial Banks - raises none of the concerns over the growth of the derivative markets seen in some

official quarters.

A similar picture – of rising trading volumes but static credit risk – emerges from foreign exchange-re-lated derivatives. The three banks added about \$400bn of exchange-re-lated derivatives in terms of notional value, taking the total to \$1,800bn at the end of 1992. The credit risks associated with these contracts edged down to \$40bn.

Taking the banks as a group, the growth in volume, by about a third, was consistent across most of the different exchange and interest rate products - swaps, options, futures and forwards. However, there were sharp differences between the banks in terms of which instruments each had been most active in: • The notional value of J.P. Morgan's interest rate swap portfolio jumped to \$368bn at the end of 1992 from \$250bn a year before.

 Options were the fastest-growing interest rate product, with the out-standing amounts jumping to \$570bn from \$330bn. Also, Bankers Trust's involvement in interest rate futures and forward contracts soared to \$246bn from \$75bn.

 In keeping with its strong posi-tion in foreign exchange, Citibank's outstanding forward contracts and futures in the exchange markets

leapt by \$200bm to nearly \$800bm.

The growth of equity and commodity derivatives was confirmed by J.P. Morgan's disclosure that outstanding notional amounts in these markets had risen to \$38.8bn from \$18.3bn. Bankers Trust. though, reported that the notional value of "other contracts" (mainly equity and equity index options) had fallen to \$29bn from \$58bn.

At least some of these amounts will start to appear on US bank balance sheets from next year, following a Financial Accounting Standards Board ruling. According to Bankers Trust, had the ruling been in force now, it would have swollen the balance sheet by \$14bn, hitting its ratio of equity to total

Richard Waters

ELSEVIER

Amsterdem

Annual General Meeting of Shareholders

at the Company's beadquarters, 4 Van de Sande Bakhuyzenstraat, Amsterdam, at 10.30 s.m. on Wodnesday, 21 April 1993.

The agenda includes the Executive Board's report on the Company's affairs during 1992, approval of the 1992 Annual Accounts, and a reappointment to membership of

The documents for the meeting and a proxy form are available for UK-resident shareholders at the offices of Reed Elsevier pic (corporate relations dep.), 6 Chester-field Gardens, London WIA IEJ.

Registered shareholders and other registered holders of voting rights are entitled to attend the meeting, either in person or by proxy authorised in writing, if the Executive Board has been notified in writing, by no later than 19 Board has been notified in writing, by no later than 19 April 1993 of their intention to attend the meeting.

Holders of bearer shares are entitled to attend, either in person or by proxy authorised in writing, if their share certificates have been deposited, by no later than 19 April 1993, with a branch of any of the following banks: Pierson, Heldring & Pierson N.V., ABN AMRO Bank N.V., Rabobank Nederland, Internationale Nederland N.V., Kabobank Neperismo, internationale Renermandes Bank N.V., Bank Mees & Hope NV, Hollandsche Bank Unie N.V. or Credit Lyomais Bank Nederland N.V. in Amsterdam, Rotterdam, The Hague or Utrecht. Receipt of deposit serves as admission to the meeting.

Amsterdam. 29 March 1993

Executive Board

SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY

Notice is hereby given that the ANNUAL GENERAL MEETING of the Society will be held in the SOCIETY'S HEAD OFFICE No 28 ST ANDREW SQUARE, EDINBURGH on Thursday 22 April 1993 at 12.30pm to consider the Accounts and Balance Sheet and Reports of the Directors and the Auditors, to elect Directors, to determine the remunera to be paid to the Directors and to re-elect the Auditors.

A member of the Society entitled to attend and vote at any Annual General Meeting is craitled to appoint another person to attend and vote instead of him. Proxies must be lodged at the Society's Head Office not less than 48 hours before the time for holding the Meeting.

> By Order of the Board DA BEBRIDGE

Chief Executive

28 St Andrew Square EDINBURGII:

COMMERCIAL LINION PRIVILEGE PORTFOLIO SICAV Registered Office 41, avenue de la Care, Centre Mercure, 8th floor L-1611 LUXEMBOURG NOTICE OF AN EXTRAORDINARY GENERAL MEETING

7.259 7.348

Notice is hereby given that an Extraordinary General Meeting of shareholders of COMMERCIAL UNION PRIVILEGE PORTPOLIO SICAV will be held at Centre Mercure. 7th floor, 41, evenue de la Gere, L-1611 Luxembourg, Grand-Duchy on 6th April 1990 at 4.00 p.m. in the presence of the notary, for the following purpose: To change the first paragraph of Article twelve of the Articles of Association from Shareholders will meet upon call by the Board of Directors, pursuant to notice setting forth the agenda sent by registered mail at least eight days prior to the meeting to each shareholder at the shareholder's address in the Register to Shareholder."

"Stareholders will most upon call by the Soard of Directors, pursuant to notice setting forth the agenda sent at least eight days prior to the meeting to each shareholder at the shareholder's address in the Register to Shareholders."

In order to pass the Resolution there is a requirement for a representation of 50% of the shareholding and for no less than two thirds of the votes cast thereon to be in

In order to vote at the meeting, the holders of bearer shares must deshares not later than Tuesday, 30 March 1993 either at the registered office of the Fund, or with any bank or financial institution acceptable to the Fund, and the relative Deposit Receipts (which may be obtained from the registered office of the Fund) must be forwarded to the registered office of the Fund to arrive not later than esday, 30 March 1993. The shares so deposited will remain blocked until the day following the Meeting or any adjournment thereof.
THE BOARD OF DIRECTORS

COMMERCIAL UNION PRIVILEGE PORTFOLIO SICAV

Registered Office: de la Gare Contre Morce L-1611 LUXEMBOURG

R.C. Lucembourg 332640

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of shareholders of COMMERCIAL UNION PRIVILEGE PORTPOLIO SICAV will be held at its resistered office 43 Will be held at its registered office, 41, avenue de la Gara-Duchy on Tuesday 6th April 1993 at 3:00 p.m. with the i

To premy ear stage on any every stage of Net Assets, Statement of Operations and States.

To receive sud salon the Statement of Net Assets, Statement of Operations and States Changer in Net Assets and in Resed States for the year ended 31 December 1992;
Discharge of the Directors and of the Anditons.

To re-exposint the existing Directors and to settlerine the Directors to fix the Anditons.

In order to won at the meeting, the holders of bluver shaves must deposit sheir shaves not later than 2 April 1993 either at the registered office of the Ford, or with any built or financial ution acceptable to the Fund, and the relative Deposit Receipts (which may be obtained the registered office of the Fund) most be forwarded to the registered office of the Fund tive not later than 2 April 1993. The platess so deposited will remain blocked until the day following the Meeting or say adjournment thereof. The holders of registered shares need not deposit their certificates but one we present in pass or represented by a duty appointed proxy.

Shareholders who counce attend the meeting in pursus are invited to see and signed proxy form to the registered office to arrive not inter than 2 April 1993.

Proxy forms will be sent to registered sinceholders with a copy of this Notice as

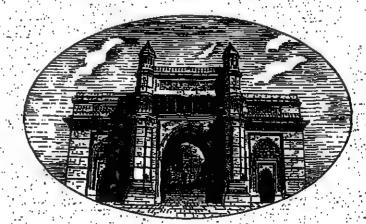
One Chart Equals One Hundred Stories



obtained from the registered office. THE BOARD OF DIRECTORS

CURRENCY MANAGEMENT CORPORATION PLC FOREIGN EXCHANGES HOUR LONDON DESK DIRECT ACCESS TO EXPERIENCED DEALERS DOLLAR AND CROSS RATE CURRENCES CALL NOW FOR FURTHER INFORMATION & BYDCHUFE

From today, the road to success in the **European Community will** pass through India.



While the EC is entering unfamilier territory, we believe it isn't breaking new ground, just after World War II, 8000 miles to the east, 16 even more varied states and principalities came together as one economic and (here's the difference) political entity.

We travelled the rough road to the modern world side by side with India.

We are India's number one bank. State Bank of india, known simply as SBL

We've grown but never lost touch with our commitment to the country's growth. We regularly craft schemes that finance small and medium scale industry, entrepreneurs and professionals. When the capital mobilisation process started gaining momentum, we formed SBI Capital Markets to accelerate the process through

sophisticated techniques. When Indian businesses wanted to fly into the competitive outside world, SBI European Bank Limited with an Indian heart.

we had the privilege of escorting them to opportunity-rich places abroad and help them with our extensive global network of 46 offices in 31 countries, covering every time sone and major international financial centres.

We have more active presence in the EC than any other Indian bank. We are ranked among the top 400 banks in the world. And we are growing. There's an ongoing process of finding responses to opportunities as they

This has given us 45 valuable years of experience, working within an economic community and providing solutions to it's problems. Expertise that is now available to the EC in a new European bank, SBI European Bank Limited, headquartered in

SBI European Bank Limited. A citizen of Europe.

THE BANK WITH EUROPEAN COMMUNITY BUSINESS EXPERIENCE.

CANADA	AGISTRIA FLANCE SUBSECT Price 1000-000 March 25 Price 1000-000 March 26 Price	
Select Stock High Lew Close Clag Sales Stock High Lew Close Clag Select Sto	2,890 1,400 Austrian Africas 1,811 579 354 Cradionatist Pf 533 575 Actal Alshorm 676 365 Cradionatist Pf 534 595 Actal Alshorm 676 365 Cradionatist Pf 536 Actal Alshorm 676 365 Cradionatist Pf 536 Actal Alshorm 676 367 Cradionatist Pf 537 Actal Alshorm 676 367 Cradionatist Pf 538 Actal Alshorm 676 368 Cradionatist Pf 538 Actal Alshorm 676 368 Cradionatist Pf 538 Actal Alshorm 676 368 Cradionatist Pf 538 Actal Alshorm 676 Cradionatist Pf 678 Actal Alshorm 676 Cradionatist Pf 678 Actal Alshorm 676 Cradionatist Pf 678 Actal Alshorm 676 Actal Alshorm	آمينيد عدر الاستانية معارفية
TORONTO Comparison Compari	1,074 630 Oelike	
	70.0 292 Reder Heralduh. 315 70.0 292 77.0 Reder Heralduh. 315 70.0 Reder Hera	
233300 Acan Al 234 234 214 237 -1 ₈ 2000 FPI Ltd 350 345 350 t ⁵ 112500 Nat Bt Can 59 834 9 1 ₈ 24700 Terror Bt 157 157 157 157 157 157 157 157 157 157	4.432 2.541 Whenerherger 3.196 1.200 942 Z-Leonderbank 1.040 234.89 (8.9.0 Carrison 2.872 1.970 800 Height 2ser 1.012 237. 2872 1.200 942 Z-Leonderbank 1.040 2385 2.005 Carrison 2.872 2.872 2.880 1.980 1.200 238 2.880 2.88	
2400 Fix Mark 4 512 12 12 12 22900 Horanda \$201 ₈ 201 ₈ -1 ₈ 00000 Horanda \$101 ₈ 201 ₈ -1 ₈ 00000 Horanda \$101 ₈ 101 ₈	Section Sect	
34000 Bernoral 13½ 12 13½ 34500 Shanin Gid Schi 6½ 6½ 6½ 6½ 6½ 6½ 6½ 6½ 6½ 6½ 6½ 6½ 6½	12,000 11,500 Bank tell a Lars	
775300 Galf Cda R 350 354 354 252 275 275300 Galf Cda R 350 354 350 350 350 350 350 350 350 350 350 350	12.500 11.500 1	
572007 Heade Gold S9 8°8 8°8 4°8 4 4200 PhilipEnv \$11% 11½ 11% 11% 1100 CAE Ind \$90 495 495 10700 Heilinger \$11% 11 11½ +1 400 PhilipEnv \$11% 113 13 13 13 13 13 13 13 13 13 13 13 13	2, 15, 15, 10 Belowit 15, 100 20, 20 2	· -
400 Caspaco \$18 1776 18 +15 800 Hashardes 465 4465 465 465 460 Power Par \$21\frac{1}{4}\$ 21\frac{1}{5}\$ 21\frac	197 494,49 301,50 588 589	
759000 Cm Par \$13\cdot 18\dag{4} 13\cdot 18\dag{4} 13\cdot 18\dag{4} 13\cdot 18\dag{4} 13\dag{4} 13\dag{5}	3,569 2,306 GBL AFV 1	The second of the second
2600 Cangariny \$30 3 30 4 4 1700 Lannock \$154, 1812 1512 16540 Reporting \$17 164, 1676 4 2700 Cangaring \$354 344 4 18 1840 Farodom \$185 195 195 195 195 195 195 195 195 195 19	0,850 5,220 Mechaniver	A CONTRACT OF THE STATE OF THE
1900 ColColds 30 27 27-42 4300 Laidew A \$11 11 11 12 12 1300 Standard A \$18 18 17 1 17 12 130 ColColds A \$18 18 17 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	11.730 7,010 Petrofina	
30200 Cirega Can 155 150 153 46 26200 Linking B 5112 102 112 12 12 12 12 12 12 12 12 12 12 12 1	91,000 (7,100 incomps 91,00 (107 19,00 (107	
INDICES	B_220 4,900 Berchards 47, 2,000 Berchards 47, 2,000 Berchards 19, 2,000 Bercha	
Mar	Inclusive on one 1989 400 for Calculater 717 173 70 1888000-18631, 2020 2020	7/2
Industrials 9438-98 3461.32 3465.05 3461.86 3478.34 3130.52 (102/35) (207/3	2 188 Den Denzish Berls, 317 464 350 Sellang 474 9,940 2,580 Bargu (Cartlern) 5,850 A465 2,500 Endess (Ref) 4,355 2,500 E	The second secon
Uliform 238.67 241.74 340.42 238.36 (87.93) (8	388 178 Juste Bank Reg 244 389.00 214.20 Stetz (Cle Ge 316 3.30 1.00 Colde Fe 1,00 5.00 2.00 Mapfre 3,00 92 183 Anglo Am Gold 201 1.00 1.00 Laurizeau (J. B 1,100 3.180 1.730 Taitinger 200 1 108.40 Thorseon (C. F 181 1.00 1.00 1.00 NRT A/S 200 1 108.40 Thorseon (C. F 181 1.00 1.00 1.00 NRT A/S 200 1 108.40 Thorseon (C. F 181 1.00 1.00 1.00 1.00 1.00 1.00 1.00	
STANDARD AND POOR'S Companie † 447,77 480.88 449,07 449,78 489,28 449,07 449,29 (100290) (10	960 650 TopChanuelt 700 27 127 Unio Immed Fr - 518 5,200 2,201 Rds - 3,210 1,330 2,700 Indistruction - 1,250 44,75 29 Distoration - 39 1,250 1,050 Production 650 Productio	A STATE OF THE STA
100909 8480 100909 218829 000 01 100100 218829 000 01 100100 218829 000 01 100100 218829 000 01 100100 218829 21	1,150 1,25	74 (1974) 1 (1974) 1 (1974) 1 (1974) 1 (1974) 1 (1974) 1 (1974) 1 (1974)
Amen Mid. Velto 419.47 419.18 418.28 419.66 (107.00) (24.00) 364.55 (23.00 364.55 (23.00) 364.55	110 66 Cuttor 1 110 254 147 AEG 171.80 1800 6.850 Meldobanca 1,170 1,000 6.850 Meldobanca 1,170 1,170 Meldobanca 1,170 1,000 6.850 Meldobanca 1,170 1,170 1,000 6.850 Meldobanca 1,170 1	1 1 2 2 2 2 2 2 2 2
Person Control Person Control Person Control	83.50 46.50 Sprimene 61 254.50 100 585 250.40 Greenwis (40 40 50 Assa A 427 50 50 Peterburik 115 7.55 1.00 68.50 469 30 Assa A 427 50 50 Peterburik 115 7.55 1.00 68.50 469 30 Assa A 427 50 50 Peterburik 115 7.55 1.00 68.50 469 30 Assa A 427 50 50 Peterburik 115 7.55 1.00 68.50 469 30 Assa A 427 50 50 Peterburik 115 50 Februarik	e de la lang. de marie marie de la lang. de marie de la lang. de la
Mer. 14 Mer. 17 Mer. 10 Year ago (Inprox.)	159 45 Metra-Serin 8 163 619 445 RMW (91) 473 3,180 1,091 Suipera 2,578 300 218 Ametro-Copera 313 31,00 1,091 Suipera 2,578 312 377 Suipera 2,578 313 314 314 315 317 Suipera 313 318 37,78 Rest Plat 313 318 37,78 Rest Plat 313 318 37,78 Rest Plat 313 314 315 31	Application of the control of the co
NEW YORK ACTIVE STOCKS TRADING ACTIVITY Stocks Closing Change † Volume Natione Stocks Indeed price on day New 28 Mar 28 Mar 28 Mar 28 Mar 29 M	22 8.50 Tanvelle	A Company of the comp
Prince P	JAPAN AMERICAN (continued) White Care Shareh 20 Yest Migh Lave Shareh	A THE COLUMN TO THE REAL PROPERTY OF THE PROPE
Note Sec 1,500 15 1 15 1 15 15 15 1	650 286 Alectron Englis and S27 1800 546 Nation Perfecting 711 658 286 Talyo Fishery 456 0.00 0.00 Alegyor Ministers 0.80al 1, 1,000 80b Ale Ministers 672 3.30 1,70 Ministers 0.80al 1,300 80b Alectric	1 11 12 12 13 13 13 13 13 13 13 13 13 13 13 13 13
The Parts 1,575,400 20-4 - 4 New Highs 110 102 83 100-00-00-00-00-00-00-00-00-00-00-00-00-	1,000 480 And Construction 683 1,000 545 Ja. 885	
CAMADIA TORONTO May May May 1988/88 1	1,100 570 Assist Back	19 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
201.27 200.09 200.00 200.00 300.07 (101.00) 30	- 1.570 713 Benyu Pharm 788 1.505 730 Ruleon Pharm 1,370 803 489 bigpon Paint 500 1.380 840 Telebo Marinu 1,220 6.4 4.35 Britis (Paint) 5.60 1.570 713 Benyu Pharm 788 1.500 1.482 Kandenke 2.850 1.670 900 hippon Road 1,240 821 348 Reviews 3.50 4.83 Sonta of Seeding 15.50 1.570 900 hippon Road 1,240 946 period 500 1.570 940 hippon Road 1,240 940 1.570 940 1	1997 1997 1997 1997 1997 1997 1997 1997 1997 1997 1997 1997 1997 1997 1997 1997 1997 1997 1997 1997
Horse return of an income and 100 decapt 1975 All Commons - 50; Seminard and Poor's - 10; and Townsia hospication and Media - 1000. Townsia hadron beend 1975 and Median of 1975 and Median - 1000. Townsia hadron beend 1975 and Median hadron beend 1975 and Med	- 4,220 1,430 CSK280 0 0 320 Keesel S Power290 1,130 480 Mgoon Shingsan _903 3,700 2,200 Tokin G Per290 0 0.5 1 Mgoon Shingsan _903 0 0,5 1,000 Tokin G Per290 0 0.5 1 Mgoon Shingsan _900 0,5 1,000 Toking G Mgoon Shingsan _900 0,5 1,000 Toking G Mgoon Shingsan _900 0,5 1,000 Toking G Mgoon G Mgoon Shingsan _900 0,5 1,000 Toking G Mgoon G Mgoon Shingsan _900 0,5 1,000 Toking G Mgoon G Mgoon Shingsan _900 0,5 1,000 Toking G Mgoon G Mgoon Shingsan _900 0,5 1,000 Toking G Mgoon G Mgoon G Mgoon Shingsan _900 0,5 1,000 Toking G Mgoon Mgoon G Mgoon G Mgoon G Mgoon G Mgoon Mgoon G Mgoon G Mgoon Mgoon G Mgoon G Mgoon G Mgoon Mgoon Mgoon G Mgoon	
Totalend a village for day, (The Sigurms in brachasts and provious day's). V Subject to official accommoder. V Subject to official accommoder. Village of the day, (The Sigurms in brachasts and provious day's). V Subject to official accommoder. Village of the day, (The Sigurms in brachasts and provious day's). V Subject to official accommoder. Village of the day, (The Sigurms in brachasts and provious day's). V Subject to official accommoder. Village of the day, (The Sigurms in brachasts and provious day's). V Subject to official accommoder. Village of the day, (The Sigurms in brachasts and provious day's). V Subject to official accommoder. Village of the day, (The Sigurms in brachasts and provious day's). V Subject to official accommoder.	2,550 1,550 560 Carlos Sares — 2,550 500 51 Sabin See Carlos Computer - 360 51 Sabin See Carlos Computer - 360 51 Sabin See Carlos Computer - 360 51 Sabin See Carlos Carlos - 360 51 Sabin See Carlos - 360 51 Sabin See Carlos Carlos -	
70KYO - Most Active Stocks .	SOA 450 Chiyota Fire 3 M 582 1,300 981 Rrin Brewit	The second secon
Friday March 26, 1993 Stocks Closing Change Stocks Closing Change Traded Prices on day Traded Prices on day 1,500 Ltd 1,500 650 470	Solid Age Colored Fire Age	The second secon
Stocks Closing Change Stocks Closing Change Tracked Prices or day Tracked Prices or day Tracked Prices or day Tracked Prices or day Tracked Prices Ord	1.50 1.50	
	755 380 Date Nation Inc. 540 543 510 543 510 543 510 543 510 543 510 543 510 543 510 543 510 543 510 543 510 543 510 543 510 543 510 543	
	765 380 Calmanu Inc	Bogo.
IS THIS YOUR OWN COPY	1.580 1.150 Esal 1.430 1.890 928 Meruli 1.410 1.891 1.100 1.	Toping Strain Strain Strain Strain Strain Strain
OF THE FINANCIAL TIMES?	4.550 2.700 Fause	Total Service
Or do you rely on seeing someone else's? Every day the FT reports on the topics that matter to people doing business every day, in and from Europe.	1,000 200 Felt Bendric 200 200 Felt Bendric 200 20	Silver Contract Silver Silver Silver
We cover the latest European, U.S. and international news, and analyse the impli- cations from a European perspective, In fact you'll find far more than finance in the FT. No surprise then, that the Financial Times is read by over four times as many	635 335 Furniques Elect 603 687 402 in Phishi Bles 527 1,440 718 Michael Estate 1,000 1,251 730 8anus Shatter 681 1,100 Michael Estate 1,000 1,251 730 8anus Shatter 681 709 352 25tel Corp 505, 11,000 8.65 Wing On Co 6,05 1,050 578 Gen Subtyu 1,010 528 Gen Shatter 682 690 Michael Henry Ind 600 345 Secure 500 1,050 578 Gen Subtyu 1,010 528 340 Michael Henry Ind 600 345 Secure 500 1,050 578 Gen Subtyu 1,010 528 340 Michael Mark Issael 600 345 Secure 500 1,050 Secure 500 Secure	Total
senior European businessmen and women as any other international newspaper.* Make sure you're one of them by getting your own copy of the newspaper delivered daily to your office.	910 600 Galdons 755 340 M*Phillip Gas Cheer, 412 558 320 Serpt General Gas Cheer, 412 600 345 Serpt General Gas Cheer, 412	では、
To: Gilben Han, Financial Fines, (Fumper Godel), Nitochangeroptar 1, 6000 Frank, Lung/Mans 1, Germany Tiel, + 4969 (50650, Tls. 41619), Fas. + 4969 (50648).	1,207 Gene Crown 1,207	# 1 mm
SPECIAL INTRODUCTORY SUBSCRIPTION. TWELVE FREE ISSUES Please sixth here for more autorimation about 6 and 24 month subscription rates, or rates for a country not invest opposite.	Second Color Col	
DELIVERED TO YOUR OFFICE To, Gilliam Hart, Fistorical Photos (Lampe) GmbH. Nobelangeriphate 3, 6000 Frankfurtifildin 1. Germany. Tel. p. 4960 1 66830, Th. 416194, Fac. p. 3060 9 864481	\$25 \$36 \$45	10 mg
YFS, I would like to subscribe to the Financial Times, and onjoy my first 12 mounts at the following case days between two my farst copy. Please enter my subscription for 12 mounts at the following case days between two my farst copy. Please enter my subscription for 12 mounts at the following case days between two my farst copy. Please enter my subscription for 12 mounts at the following case days between two which I would like my Financial Times delivered. Address to which I would like my Financial Times delivered.	760 325 Horisin Pesor 465 2,500 1,830 Mersia Manufact 2,500 870 321 Seministra Batality 451 5.46 4.10 Color liver 457 6.20 4.70 0.000 11.70	
Dentaged	1000 572 MSC Spain Plag - 1,020 572 MSC Spain Plag - 1,020 1,160 783 Spaintage Bect - 1,130 4,19 277 Seminary and - 0,49 3,56 2,24 Tellus Rest - 3,50 4,19 277 Seminary and - 0,49 3,56 2,24 Tellus Rest - 3,50 4,19 277 Seminary and - 0,49 3,56 2,24 Tellus Rest - 3,50 4,19 277 Seminary and - 0,49 3,56 2,24 Tellus Rest - 3,50 4,19 277 Seminary and - 0,49 3,56 2,24 Tellus Rest - 3,50 4,19 277 Seminary and - 0,49 3,56 2,24 Tellus Rest - 3,50 4,19 277 Seminary and - 0,49 3,56 2,24 Tellus Rest - 3,50 4,19 277 Seminary and - 0,49 3,56 2,24 Tellus Rest - 3,50 4,19 277 Seminary and - 0,49 3,56 2,24 Tellus Rest - 3,50 4,19 277 Seminary and - 0,49 3,56 2,24 Tellus Rest - 3,50 4,19 277 Seminary and - 0,49 3,56 2,24 Tellus Rest - 3,50 4,19 277 Seminary and - 0,49 3,56 2,24 Tellus Rest - 3,50 4,19 277 Seminary and - 0,49 3,56 2,24 Tellus Rest - 3,50 4,19 277 Seminary and - 0,49 3,19 277 Se	
"Carrent rates are only with for the smaller in this lifer are quoted. Substituting of grains reported to the agreement of the smaller in the	1,000 900 Region Features 803 885 420 NOK Corp 200 1,000 590 Santismo Marina 670 270 1.23 Feature Gigano 1,000 590 Santismo Marina 670 270 1.23 Feature Giga	
In substitute 1912 In the Control of	Second S	
in the second of	1.51:-1.50	
		187 188 188
		. *

AUTH	ORIS	ED	
UNIT	TRUS	STS	5
=	4 12		
AND Clott Tree	t Managers Untridee, Ma	i hulled ir likk s	(100

RCH 29 1993

| Bernard St. | Description |

Merca to The Total State of Tota

March 26 Mills

1.0 Visit Constitution 12

- Output Money March
- Mills State 12

- Output March
-

CO Section 100 Sec

March 28 (1975)

A Control of the Co

The state of the s

Station Soli

ATTEMATICAL PROPERTY AND ADMINISTRATION OF THE PROP

the unit trusts. Calls charged at 36p/minute cheap rate and 48p/minute at all other times.

House, and the second of the s

FT MANAGED FUNDS SERVICE

Bid Frice 910.2 910.2 157.8 251.0 378.4 122.8 252.3 122.8 252.3 122.8 253.9 482.4 244.9 128.5 157.9 164.8 164.8 | Rayle Exchange, ECS | Rainden Assumed | CSS, 4 8018 | Decas Ven-Pits Let | 142 6 153.5 | Decas Ven-Pits Let | 143 6 153.5 | Decas Ven-Pits Ven-Pits Let | Decas Ven-Pits Ven-Pits Let | 143 6 153.5 | Decas Ven-Pits Ven - 418.79 - 418.60 - 40.226 - 418.61 - 418.65 - 418.65 - 418.65 - 418.66 - 418. 42438 42439 42440 42441 42443 42445 42447 42449 42453 42453 42453 42457 163.1 199.7 895.0 306.2 410.6 238.6 350.6 221.9 556.2 396.9 169.4 1.36 0 189 8 850 3 290 9 380.1 226.7 333 0 220 4 528.4 348.0 151 5 OTHER UK UNIT TRUSTS | Number | N NIA Life Assurance Ltd 41898 - 41897 - 46227 - 41896 - 41896 - 41901 - 41902 - 41904 - 41905 - 41906 - 41906 - 41911 - 41911 - 41911 1014 3 763 8 125 0 441 8 710 8 230 1 152 5 1113 7 463 9 171 5 153 2 162 8 162 8 47.09 42.04 65.51 29.03 17.29 33.92 59.66 35.60 18.69 79.43 - 42120 - 42121 - 42122 - 42123 - 42124 - 42124 - 42124 - 42124 - 42124 1522 969 8 923.7 462.7 252.3 373 7 244 8 788.5 487 7 168.5 136 1 4 381 7 1 136 0 136 0 108 8 108 1 273 1 237 5 203 2 265 3 483 2 85 8 167 9 104 5 104 5 107 104 5 107 104 5 108 1 144 1 403 5 155,0 144,0 116,2 110,2 269 0 251 4 407,0 511 4 91,5 110,9 110,9 135 6 - 42472 - 42473 - 42475 - 42358 - 42357 - 42353 - 42353 For Eastern Growth
Free March
Fre . 625 7 997 5 . 329 1 658 6 1095 1 343 2 415 5 329.5 550.9 257.0 252.0 308.4 352.7 165.7 271.1 244.0 113.7 - 41916 - 41917 - 41918 £110.8 £25.18 £57.00 60 33 ## Coronal | 194.8 | 415.5|

Englis Starr Life Assessmence Co. Ltd Buth Read, Coellenthern (19.27 7.0)

Setting Facilities (198.7 20.17 20 178.5 94.8 64.1 73.4 58.4 236.8 155.6 76.3 Lunivist Lin Proof:

Equity - | 108 0

Fouty Syries 2 | 61.0

Fouty Syries 2 | 65.0

Depoid | 69.2

Strike Proport | 69.2

Strike Property Personn | 69.2

Strike Property Personn | 69.2

Frequent Resonn | 72.5

App Memoral | 72.5

App Memoral | 72.5

App Memoral | 72.5

App Memoral | 72.5

Frequent Resonn | 72.5

Fre - 42785 - 47055 - 47053 - 47054 Charlesco-Marielscoret 1 (1000)F
23 Ring William Street EOR 945
Charlescore 1 1061
Charle 174.5 228.8 231.9 146.6 140.5 140.5 140.5 140.5 140.8 145.4 166.8 145.4 166.7 166.7 166.7 166.7 166.7 166.7 166.9 177.8 127.7 123 7 121 8 115 5 128.0 111.3 134.8 116.8 117.8 160 8 125.4 91 4 136.2 119.1 93,4 76,2 175,9 106,0 180 7 234.4 205.0 240.2 250.8 263.9 385.1 174.6 189.9 263.4 95.6 - 47806 - 41922 - 47908 - 47810 - 47812 -638 5767 - 42477 - 42482 - 42483 - 42484 - 42484 - 42484 - 42484 173.2 158.0 273.2 181.5 - 47807 - 47808 - 47811 - 47813 ## CORF-Charities Official intr Fd11
2 Fore Street, London EC27 SA0
10cmm 6Fa0 26 — 159-47 500 26 4-90 6028
Accum Fd0 28 — 257-98 7216-55
Fact thi leaving Fda 26 127 19 127 21 9 12 4507
Fact thi leaving Fda 26 127 19 127 21 9 12 4507
Depart Accum 6Fa 28 150-55 160-56 1-45070
Depart Accum 6Fa0 88 150-55 160-56 1-45070 122,3 145,5 174,6 131,2 228,0 158,2 125,1 661,0 187,6 - 44589 - 44370 - 44371 - 44372 - 44373 - 44374 - 44376 - 44377 Alburry Life Assurance Co Ltd 3 Darkes Lave, Potters Bar BH6 1A) Life Smits Bus Blue Che Fe Accen. 200.5 211 Equity Fd Accep. 1178.0 1488 #25 8 263.6 342.7 230.8 407.8 377.2 762.6 272.7 Charity Foul let Felfcharity Equity Fd 33 Gater Lave 6024 845 G71-322 6900 Gen Irreprint 67-192 391 Desire Charity Fouly Inc. 118 G3 120 Fds 1 170 47743 Gater Foul For 192 31 FM 184 5 70 47744 Gaterity Foul et al. 170 16 10 4256 6 60 47746 Editoburgh Found Mogra PLC Especial Found Found Mogra PLC Especial Found Mogra PL Restinues Moternal Life
The Petery, Petery Pt., Medein, 39
Represente Promise Found
274 0
274 0
274 0
275 0
Concessos Scottly 275 0
Concessos Scottly 275 0
Property 150 1
Decorat. 150 3
Decorat. 150 3
United Market 150 3
Decorat. 150 5 ign Unit Tot Mages Ltd (1000)F 9482 422423 02 258422 6.5 4526 8.0 46876 4.1 46848 2.9 48171 6.1 41394 2.6 41395 3.7 41396 4.8 41397 44378 44378 44380 47821 44381 47824 44382 47825 44384 47828 44384 47828 44384 225.3 236.9 186.4 208.7 157.7 193.0 193.4 180.7 - 413 - 413 - 413 - 413 96.3 190.0 164.8 125.1 188.4 85.6 128.7 178.4 129.2 144.4 340,7 44662 44867 44728 44728 44729 44731 44732 130.9 150.4 137.6 133.9 162.1 134.7 139.6 149.0 172 0 100 3 492.0 125.0 Strip. Profile (BL. 115x o Hattonia Province) Institution (BR)

AB Eracenturi St. London E(3): 420.1 Secrepturi St. London E(3): 420.1 Secrepturi St. London E(3): 420.1 Secrepturi St. London E(3): 519.9 Secrept Randard Life Tst Mignit Ltd (0730)H George St Egnough 642 252 0600 393777 Innaped Acc 544 42.60 42 80 45.27 | 7344.00 A Equity CBA 65.2 54 56 39 77 36 49 1 29 4139 6 in legi loc bc - 54 | 54.27 34 77 38 95 | 3 84440 Expression Like

Lincolon Like

100 Temple Bt, Brisick 851

Like, Feste

Scripty

Property

Deposit

Mosel

Interestional

County (A)

Property

P Boolety 921 70W. 144 4 608.0 300 7 200.0 195.1 1223 4 180.5 225 7 254.2 174.0 174.0 174.0 155.4 150.5 - 43035 - 43035 - 47146 0272-279179 251.7 2013.7 419.9 1184.6 1184.6 1184.6 129.6 12 41705 41206 41707 41878 41709 48538 41710 41711 41716 47028 48538 41710 47028 48538 41713 47028 48538 41716 41718 794.9 374.4 338.2 275.2 517.9 192.9 247.5 194.9 146.1 182.2 170.7 186.9 - 43051 - 43052 - 43063 - 43064 - 43061 160.2 150.1 130.7 198.0 140.5 [1970] [1 884 751,7 762,7 655,3 770,7 763,0 444,1 288,8 314,7 250,5 179,1 184,0 482,0 247,7 308,2 221,6 221,6 271,7 216,2 197,7 216,2 149.3 488.9 351.1 223.0 405.4 210.0 267.4 243.8 266.5 156.7 277.9 641.1 480.5 271,3 317,9 486.1 238.6 279.0 625.1 308.9 191.9 150.7 - 41719 - 47497 148.1 167.1 123.1 189.1 163.0 163.0 0444 414111 Exmilife Assumence Company 1.hd Spring 1.h 41817 41827 43368 41830 371. 1271. 488. 280.1 981.4 687.4 687.2 128.7 221.3 071-484 0106 - 43390 - 43371 - 43371 - 43373 - 43373 - 43373 - 43373 0392 283456 41829 - 41824 - 41824 - 41824 - 41824 - 41819 - 41818 - 41818 - 61838 - 41844 - 41848 - 43072 - 47908 - 42986 - 42819 - 42874 - 42820 - 42821 497.4 482.6 140.0 778.7 225.7 141.7 225.4 103.1 225.4 300.8 113.5 137.7 1122 197.8 284.7 499.3 799.9 280.7 142.6 891.2 192.6 193.8 1766.2 - 45180 - 45178 - 45178 - 45178 - 45182 - 45182 - 45182 - 45182 - 45182 - 45182 - 45182 - 45182 - 45182 Lezard Atrestors Ltd ## 105.3 107.5 107.5 110.1 180.5 101.0 162.0 162.0 Bangat Persis 2 - CHECK 5 3319 2 European May 24 CHECK 5 607.2 A CHECK 5 607.2 Separary Sign Acc. | 1118.68 148.08 148.08 (7800)
Sura Alliannos Unit Tel Minggart List (7800)
Asiman: 5 Personal Rd, Hurton, Emericand, Contention (1970)
Sura Alliannos (1970) - 45796 - 47907 - 43794 - 42629 - 43073 - 42622 MARIN OLD LIPS 198.6 374.6 580.2 777.7 696.4 277.6 770.8 171.6 282.8 171.6 282.8 .6|88:00 54.20 67.97L - -782.4 2323.9 786.4 2884 0, 239.4 353.1 46.3 | Appendix | Description | Company | 162.2 3 67 48825 604 7 3 4825 126.8 7.97 48829 146.6 8.84 47790 061-660 8000 - 41769 - 41756 - 41767 C272 290694 - 2 Ideal Inspiration G Non Green Lave, Bir -1748 41987 41987 41984 41985 41986 41986 41986 41986 41986 41986 41986 41986 41986 41986 41986 41987 41988 41988 41988 41988 41988 41988 41988 41988 41988 41988 41988 41988 41988 41988 | Compared

Unit Trust prices are available from FT Cityline, cell 9891 43 + the five-digit code ested and Unit Trust prices are available from FT Cityline, cell 9891 43 + the five-digit code ested and Unit Trust prices are available from FT Cityline, cell 9891 43 + the five-digit code ested and Unit Trust prices are available from FT Cityline, cell 9891 43 + the five-digit code ested and Unit Trust prices are available from FT Cityline, cell 9891 43 + the five-digit code ested and Unit Trust prices are available from FT Cityline, cell 9891 43 + the five-digit code ested and Unit Trust prices are available from FT Cityline, cell 9891 43 + the five-digit code ested and Unit Trust prices are available from FT Cityline, cell 9891 43 + the five-digit code ested and Unit Trust prices are available from FT Cityline, cell 9891 43 + the five-digit code ested and Unit Trust prices are available from FT Cityline, cell 9891 43 + the five-digit code ested and Unit Trust prices are available from FT Cityline, cell 9891 43 + the five-digit code ested and Unit Trust prices are available from FT Cityline, cell 9891 43 + the five-digit code ested and Unit Trust prices are available from FT Cityline, cell 9891 43 + the five-digit code ested and Unit Trust prices are available from FT Cityline, cell 9891 43 + the five-digit code ested and Unit Trust prices are available from FT Cityline from FT

18 188 1 1 18 C

الفته تعليم

FT MANAGED FUNDS SERVICE	the unit thists, come charges and the mid Offer Yard Offer
Bid Office Yield City- Bid Office Yield City- Bid bid Cape. Bid other Yield City- Bid bid City- Bid office Fried City- Bid Office Fried Fr	Office Comp. Price Price Greek Bins Pri
R & H Fund Managers Ltd Perpetual UT Alters (Lieuxeb) Ltd Egit Star - Global Assets Fund (a) Engle Star - Global Assets	ANTIDO ANTIDO ANTIDO Shadar Resistant of Francis ANTIDO PUR Extension ANTIDO
ABF Fund Wassgers (C) Ltd	Armon Processor Processo
Ext Currence 5 601 - 11 1674 -1655C Schroder Many Services (Arredy Lab Age 12.82 12.75 12.89 1.89	### 1
Barclays Informational Founds From Significant Provides Science 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	1 16.0
Starting Bond 11/1 f 1037/start-51 1/1000(3)H 1000(3)H 10	1 4805 - 4805
Apparent 1,100 1	Col.
EXCV 0160013F 33.38 33.38 4344449 Four 1008 6.27 43702 Emphasis	STOLET - 46795 MAY No. 12 STOLED - 465909 Read Extrate Strategies Lib
Control Cont	#254 10 1.40 SSER Anton Growth Fri \$44.87 - 45295 Resignation, market No \$100.35 1137.77 0.904 47622 (Ext. house stand fin 151.00 Anton invarine Fri \$100.35 - 45295 (Arabac-Abid Asset Management (CC)
Column Ford Column Column Ford Column	1 1957 - The Japane Franch M.V. 9418.05 1 - 44005 III then the period of 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Specing Octob Carr S - 1 0000 Section Octob Carr S - 1 0000 Sect	## Appl Circ 14 22 23 24 25 25 25 25 25 25 25
1.5 Sampler Cost (1.57.5) 1.5.2 1.5.	44 42 32 44 45 45 45 45 45 45 4
Group Of Print 197 157 141 157 158 159	10 187.75 - 27571 JP Nov Zustmand Vot. 88.92 7 19.501 - 45750
Comparison of	10.000
PO Box 193, 9 Index Jorsey 0334 47961 American Inc. 6 Code 1	20 14.00 -44.072 F Morray Ft DML DML 1.00 E.11 44.154 Solution (SavExaminato) Found F Morray Ft DML DML 1.00 E.10
Down C S D 3 718 5 318 6 32 6 00 00 00 00 00 00 00 00 00 00 00 00 0	0. 0.7542 -1 argust deliration Pry Describes List 0.7542 -1 argust 0.754
that the A for began 5 do 19 of 2013 55 (500) 6 2013 55 (500) 6 0 of 10	202.421
Un 1-2017 10-2019 10-2	12.05 2.06 4.0006 1.00
Big Chief	12.55 40.00 40.0
Second Column Second Colum	Tongaletos Gallerath & Hermiterger Led Tongal
CA Courty Gram	1900 1900
Process Proc	Appen Appe
Depth Class. State Class	10 00
Copins	10.05
First Act Percent (act Col Life March Col Life Life Col Life Life Col Life Life Col Life Life Col Life Col Life Col Life Col Life Col	1986
173-70 174-70 1	1973 1975
It Rogaries Carefully Pg	Clicheck Clickeck
Service Fixed Ltd Serv	1 25 25 25 25 25 25 25
## A Funct det date 11 Row Addringer, L - 11 R Lowenthautry 071 - 527 (6400 17 0 Bas) 2.5 histor, sample 1.5 history 1.	17.85
GH NN 1904 " . 192/200 at a 1476/21 11 for resemble (2004 100 at 1904 100 at 1	19.00 - 45/121 Opting OverSeas Participa (M. 19.00) 19.00
Coding Works or Tourism Coding Works or	18.00 - 40.122 Spins that it is marked by 19.00 - 19.0

\$15.31

ad Lucas

RCH 29 1993 article st at other times FINANCIAL TIMES MONDAY MARCH 29 1993 ** = 1 7 25 CURRENCIES, MONEY AND CAPITAL MARKETS MONEY MARKET FUNDS ·In FOREIGN EXCHANGE AND MONEY MARKETS 11 8316 Money Market POUND SPOT - FORWARD AGAINST THE POUND LONDON RECENT ISSUE Eyes on French franc Three mouting Trust Funds d/1-623 ID18 | 1-466 | 1-6966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-5966 | 1-| 1,5350 | 1,5350 | 1,5350 | 4,535 | 4,535 | 2,7170 | 4,535 | 2,7170 | 1,535 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | 1,725 | Irone Polid up Dale High Low 3 00 2,830 2 25 1.05 Or 3.36 Or 3.03 Or DEALERS will keep a close watch on the French franc this week, following the second round of the National Assembly.

But the pressure on the franc may not come until the summer. 2.7375 91.95 9.3500 1.00 -0 C00 MB 2.00 8732 770114 - 9.78 3 Men - 5.86 3 Men - 5.90 5 Men Altres Omed Libyel Leis _____ For & Col US Seels Co's _ The COST Charities Deposit Account
The COST Charities Deposit Account Mr Christopher Potts of bly elections in France, writes De. Verranto
Inti. Food Machinery
Abster World
Pilot Inv. Total
Do Wasserds
Schooter Spit Fol Inc.
Co. Cap
Do. Zayot Tie: Fil.
Historicals A Verbus Tat.
Vorsabust Food Banque Indosuez in Paris says:
"The danger point for the franc
is not the next two weeks, but In recent weeks, there has been a growing feeling that the 1875 515 51
Fund lane
Fund lane
State 18
Supplies
Sup Serberer Money Management Lid 19-16 Monanger St, Lodon ECSN 800 1954 bea. 9.19 2.80 Cell Fed. 9.31 2.95 Specie Find. 9.15 3.95 Specie Find. 9.15 3.95 Cells 1955 1.49 12554 Phys. 9.10 | Danselser: Tel Pio-Danmelser: 500 Acr | 8.2 July S. described: AS 400 | 8.72 | 961-822 Acht | 74,000 | 8.75 | 100,000 | 1 Year) | 8.00 | 8.75 | 7 Year) | 100,000 | 1 Year) | 100,000 | accession to power of a right-wing government in Paris will coincide with another specula-tive attack on the French cur-rency. A landslide victory for two months down the road.
"It is difficult to suggest that
the new French government 807 L3d 287 800 071-230 1425 071 236 2302 3.80 5.20 6-486 3.85 5.27 6-486 3.85 5.27 3-486 1.90 3-486 6 5.20 3-486 could break with the strong franc policy this week. They will have no choice but to maintain the policy. However, the dangers will increase if French interest rates can't be FIXED INTEREST STOCKS Table Price E 5 R 333883835 Lainge Phonpac; Dates Cleaning Faces £ the RPR/UDF coalition has DOLLAR SPOT - FORWARD ADAMST THE DOLLAR **Money Market** long been discounted, but the new administration's commit-High Loss Close One month % 1171₄₀ 1221₄₀ 1121₄₀ 1142₁ 102 kg Mateurs Figs Sied Cr. Pf. go-dhid 115 kg Shinki Water Rilege Pf. 105 kg Mateur Miller Rilege Ch. Pf. 186 kg Mill C Pf. pc Cr. May Cr. 2007 125 kg Estates 7 kg/c Cr. May La. 2009 Bank Accounts 0.39-0.38qam 2.88 (0.89-0.81qam 6.73 (0.89-0.81qam 6.73 (0.89-0.81qam 6.73 (0.89-0.81qam 6.74 (0.89-0.81qam 6.74 (0.89-0.81qam 6.74 (0.89-0.81qam 6.74 (0.89-0.81qam 6.89-0.81qam 6.89-0.81 mintle
1.04-1.01pm
2.42-2.32pm
0.60-0.660m
1.00-2.040s
44 00-42.040s
1.00-1.000s
1.00-1.000s 100p 100p 100p 100p 100p 100p UK† 1.4746 1.7888
Iziland† 1.4770 1.4820
Cantale 1.2285 1.2465
Religion 2.100 2.1788
Religion 2.17 1.485 - 1.4815 1.482 - (.485 1.344 - 1.246 1.344 - 1.246 1.345 - 1.250 1.345 - 1.250 1.350 - 1.250 1.350 - 1.250 1.350 - 1.450 1.350 - 1.450 1.350 - 1.450 1.350 - 1.350 1.350 ment to the franc fort policy is per CAR PRIC. certain to be tested. brought down sharply in the Green But dealers are uncertain over when exactly the pressure on the franc might come, if it next two months." ABS Sanic High Informat Chaque Account Setnost Hé, Lichtign USS, TSA CS 0800 282116 C2 500-CS 688 227 1,70 228 Or C10,600-1314 281 3.79 02 -| 40₀₆ Mr Gerard Lyons of DKB international believes the most BRB888 Julian Hodge Stark Lid
10 Waster Prace Cardiff GF1 2005
10 Waster Prace Cardiff GF1 2005
10 Waster Prace Cardiff GF1 2005
10 Waster Stark Cardiff GF1 2005
10 Waster RIGHTS OFFICES Alltions House Bunk, pic 30 City Road, EC1Y 2AY. Testancy Access: - for postural multily fac. for proposal and Up to \$2,500. - 50,500. - 50,000. 710,000 - 224,960. 5,50 225,000 - 900.90. 3,50 3,75 comes at all. likely outcome to the crisis is 6.251 - -671-538 6070 ... The franc's immediate future Interes Price p Closing Price P that the new government will Amount Paid up maintain the commitment to franc fort, patiently waiting for Romanç Catie may depend on when the Bundesbank lowers interest rates again. There was some disappointment last week that 15 2500 42 250 German interest rates to come 87-101 Cannes St. Lundon, EC4 1782-2004-5 - 6.17 1782-2004-5 - 5.50 Caste, (22,001-5) - 5.50 Caste, (22,001-5) - 5.50 Caste, (22,001-5) - 5.50 Caste, (22,001-5) - 6.50 Printing T255 - 6.50 | December down However, he believes there is a 30 per cent probability that the markets will force a devalthe central bank continued to - I copp offer funds to commercial 144 banks at an unchanged reporate of 8.25 per cent. There are expectations that this rate will uation, possibly because ten-sions elsewhere in the Euro-**EXCHANGE CROSS RATES** | Columbia pean exchange rate mechanism be cut this week, possibly 4. 2.02 Mgh 4.69 Mgh 4.65 Mgh 5.12 Mgh 5.12 Mgh 5.20 Mgh Yen F.Pc. S.Pr. M.FL. Lira CS B.Fr. Pia. Egy when the Bundesbank council will spill over. | 1.461 | 2450 | 173.5 | 8.273 | 2250 | 2.733 | 2372 | 1.856 | 50.20 | 173.5 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 1.265 | 4 Middland Bank plo PO Box 2, Shetlield, Exchanger Acc 65000-BANK OF ENGLAND TREASURY DALL TENDER OTHER CURRENCIES E IN NEW YORK Mar.25 Mgr.19 Mar.28 No. 19 May 26 2 8

Aspenting ... LARS - 1,4710 USES - 1,0000
Band ... SSE212 - 3,6224, May Cont - 2,6111 a

Band ... SSE212 - 3,6224, May Cont - 2,6111 a

Frohand ... May Cont - 1,6110 - 1,4110
Band ... SSE212 - 3,6224, May Cont - 2,6111 a

Ram (May Roop ... 1,5140 - 1,172,10 Pps ... 7,2111
Ban ... STAN ... SSE21 - 1,1255 J. 7,2115 F. 7,2111
Ban ... STAN ... SSE21 - 1,1255 J. 7,2115 F. 7,2111
Bandleyste ... SSE31 - 1,1255 J. 7,125 F. 7,2111
Bandleyste ... SSE31 - 1,125 J. 7,125 F. 7 \$100m \$345m \$100m \$98.655 100% President Close May 25 Bank of Scotter WILDO,Y CHANGE IN WORLD INTEREST RATES 1 12 A Mm.26 change MEW YURK
Prime sches
Federal Funds
2 Mits. Tressury Silfs ...
6 Mits. Tressury Silfs ...
3 Mits. CD 12 \$100 and \$10 Unear's
-0.0059
-0.0059
Unear's
Unear's
-0.0059
Unear's
-0.0059 Linch'd 2.00 3.12 3.05 E 888 A EURO-CURRENCY INTEREST RATES -0.05 -0.05 Mar.26. Previous 78.7 78.8 78.5 78.5 78.3 78.3 78.6 78.6 78.6 9.00 8.325 7.926 40.025 40.025 PORYU One measib Three measib M.VO 1003 1004 -116 -116 -1 Provincial Bank PLC Management Limited CURRENCY RATES * Warman Faces

**Warman Faces

**The Cool | 1995

**The Cool | 1995 umm Shipiery & Co Liid REPORTED Greetel * Occurry Rights 牒 Ť Rent # Dise month Three thous el. 생 CURRENCY MOVEMENTS P 10 5 10 4 9.836803 1.28447 1.72214 15.9422 46.6636 8.70070 2.20361 2.54676 7.69904 2216.87 181.983 90.7913 2.99470 884 0.797966 1.18683 1.47713 13 6803 46,0237 7.45627 1.56122 2.16264 6.61229 1894.39 136.227 8.25271 136.701 1.79791 2.797 3.00 5.09 7.00 10.00 7.80 7.00 10 11.80 2.80 1.30 1.30 Long horn Eurodollers: her water 44-44, per cost; thene water 44-45, per cost; four years 45-55, per cost socials. Short here cales not call for US Dollar and Applicate Year; colous, has dept motion. -30.99 -12.00 -5.04 +17.34 +2.09 +13.11 +32.67 +17.71 +21.43 -5.42 -5.42 +100.74 FT LONDON INTERBANK FIXING Part of the Co. Ltd.

29-33 Princes Vetoria 2, Bristol
29-33 Princes Vetoria 20, Bristol
29-33 Princes Vetoria 20, Bristol
29-35 Princes Vetoria 20, Bristol
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
20, 100
2 171-24 400 146 146 112 146 113 146 114 146 114 146 114 146 114 146 114 146 BASE LENDING RATES 150 A 111 A 45 A 111 A talci 31g Offer 34g bld 3,1 offer 3,1 50¹⁰ - 67 The fixing rates are the self-meets means rounded to the nearest one-elementh, of the bid and offered rates for \$10m quoted to the market by five reference barries at \$1.00 a.m. each working day. The tente are National Westerletter Buris, Benk of Tolgo, Deutsche Buris, Benque National de Paris and Morgan Contenty Trust. TRANS-100 Limited
1 Good Cumportered Pt. London W1H 7AL 071-258 0064
1 Good Cumportered Pt. London W1H 7AL 071-258 0064
1 Good Cumportered Pt. London W1H 7AL 071-258 0064
1 Trans-100 good miles. J. 250 4.81
1 Land 5-3m
055,000 - 1 Your. 1.25 4.10
1 Transy Fends Adem & Company ...
Alled Trust Benk
Alls Bank Morgan Guaranty phunges: everage 1980-1982-100. Bank of England Index (Bane Average 1980-100. Takes are for Mar 25 A Brook mile refers to posting bank throater prime. There are not quoted by the UK. Spatin sed instead of insupers Commission Coloradores. Henry Anabecher . B & C Merchant Benk ... 13 Benk of Berode 8 Benco Bibao Vizolye.... 6 OFRobert Fleming & Co ... 8 MONEY RATES E(00,000-2199,1990-11-927 august vages vag 10 mg MEM ACHIC Treesury Bills and Bonds JAPANESE YER (EM) Y12.6m \$ per Y100 1.00 Men 1.00 and above. 4.656 2.47 4.70 Men 1.70 Men 1.7 2.02 3.13 2.00 3.13 3.32 4.04 Unity Trust Bank Plo ... 6 Western Trust 6 Whiteeway Laidine 8 Yorkshire Bank 8 | Class | High | Low | Press | 109-04 | 110-05 | 109-02 | 110-13 | 107-25 | 108-25 | 109-02 | 110-13 | 107-25 | 108-25 | 108-25 | 107-27 | 108-03 | 109-21 | 108-21 | 108-21 | 108-21 | 108-21 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | 108-25 | Barcieve Bank .. The Co-countries State.

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10

7.10 Brit Elk of Mich Beet 6 GL Bank Nederland8 is Agreement UI One Two Time Months Months Overnight Mar. Members of British eri Magail Germani III DESTINATION MARK (MIN) 8.25-8.40 8.25-8.40 7.90-8.00 7.85-8.00 7.46-7.85 9.00 9.10 Credit Lyonnais 6-61-11-11-11-1 8-6-61-101-101-34-34 84-10 Prov. 97,01 98,60 96,66 STOCK INDICES COURTS Located 96.87 96.45 95.99 96.83 95.45 86.14 94.72 94.80 High 96,70 96,49 96,12 96,92 96,55 95,55 94,80 94,88 Clope 96.67 96.40 96.02 85.86 95.48 95.16 94.72 94.61 96.70 96.53 96.12 96.12 95.60 95.26 94.34 Low 1980年1985年 LONDON MONEY RATES FT-8E 100 FT-SE Mid 250 FT-SE-A 360 FT-A All-Share FT-SE Eurotrack 100 FT-SE Eurotrack 200 FT Ordinary 2852.9 3098.0 1414.7 1396.13 1147.31 1213.80 2214.8 96.34 112.02 109.4 2852.8 3110.6 1416.1 189.64 1133.08 1200.17 2221.3 98.80 112.14 110.6 2890.6 3130.0 1421.8 7405.00 1130.66 1202.55 2225.4 96.60 112.27 104.8 2881.1 3146.2 1422.5 1406.08 1131.56 1203.96 2238.2 98.98 112.84 105.7 2900.1 3154.7 1400.5 1421.34 1145.37 1223.70 2268.6 97.58 113.26 2957.3 3184.7 1457.1 1439.22 1200.27 1248.79 2298.5 127.40 113.65 734.7 985.9 1379.4 664.5 61.92 900.45 838.62 49.4 49.18 50.63 43.5 2869.6 0144.0 1423.6 1407.91 1125.65 1204.64 2242.5 96.85 112.94 106.3 2957.3 3154.7 1457.1 1418.22 1200.27 1248.70 3299.8 98.04 111.53 160.8 2391,0 2157,8 1103,1 1086,13 807,42 1010,09 1670,0 85,11 97,15 60,0 redice redice Mar 98 10 mg - 12 mg 20 ond Lumber C & Hansberge Life ment Capital Fif .10. **端** 555 6 - - - 6 - - - - 354 4 4 5 6 8 4 44 (5) (6 · # 1500 M nd Little Tamenter Little 盤 LONDON SHARE SERVICE 112 19. 19. 19. 19. ERITISH FUNDS Francisco de la companya del companya de la companya de la companya del companya de la companya Amer. | Informet. | dun YFK % Price Schlage 1.2 1281 19.2 1290 8.1 1274 18.3 1246 12.3 1247 18.1 1255 1.3 1334 18.12 1233 8.1 1339 1821/2 1908/1 1921/2 1908/2 1921/2 19 1,859 1,100 659 1,465 2,180 1,100 1,240 1,300 2,350 3,700 3,466 1,150 1,150 3,700 5,850 1,556 (102.9) 132.1 0.1 (102.9) 132.1 0.1 (102.9) 132.1 0.1 (102.9) 132.1 1.1 (102.9) 132. Trees. 2pt '94.
2pc '95.
4 spc '95.
2 spc '91.
2 spc '97.
2 spc '97.
2 spc '98.
2 spc '18.
2 spc '24.
4 spc '30.
5 spc '24.
6 spc '35.
6 spc '3 Treasury Bills (seei); one-month Si₁ per cent; three menting Si₂ per cent; six months Si₃ per cent; six discount 3.3948. CCCD Frant Rise Starting Export France, Make up day February 25, 1993. Agreed discount 3.3948. CCCD Frant Rise Starting Export France, Make up day February 25, 1993. Agreed rises for period Meutor 44, 1993. to April 25, 1993. Scheme 17.35 p.c. Scheme 17.47 p.c. Reference rate for period Jenuary 30, 1983 to February 25, 1993. Scheme 17.47 p.c. Local Architectly and Frances Houses acreed days' color, others seven days' treat, France Incurse Base Rise 7 from Mach 1, 1995. Cordination of the Deposit, Sprins 30, Coppel E100,000 and over held under our incurse 24 per cent; one-fixed profession of the Deposit, Sprins 30, Coppel E100,000 and over held under our incurse 24 per cent; one-fixed profession of the cent fixed to make 5 per cent; six-rise months 4.5 per cent; profession of the cent linear profesi ### No. 16 May 18 1,200 May 16 Said 1 1,200 May 16 Said 1 1,200 May 20 M 12.10 5070 22.1313 22.3 15.2 1316 14.30 1317 15.3 12.1 1314 14.19 1316 14.1 1319 11.1 1320 21.12 1321 10.3 1322 2.1 1233 16.12 — Saturday 90100 Apr Price B.51 1.425 0.21 1.475 0.21 1.475 2.42 1.525 0.54 1.525 0.64 1.525 0.64 1.525 0.64 1.525 0.64 1.525 0.64 1.525 0.64 1.525 0.64 0.91 1.49 2.30 3.31 4.68 6.32 8.12 Apr 0.07 0.21 0,60 1.30 2.81 4.42 6.56 \$49 2.43 3.23 4.25 5.46 6.67 8.41 10.15 16ey 0.42 0.84 1.50 2.45 3.76 5.45 7,30 5.49 6.47 4.65 3.12 2.03 1.22 0.69 8.65 6.80 5.13 3.71 2.60 1.52 0.18 9,18 7,58 8,18, 4,93 3,89 3,01 2,34 4,48 19.00 (3.0) 22.1 (307) 22.1 (307) 10.1 (208) 10.1 2410 £20524 Ower Follows Veneza Spc 2008 11 8pc 2009 1 Spc 2009 1 Conv Spc Ln 2011 11 9pc 2011 C (530 pd) Tream. Spc 2010 - 1211 Tream. Spc 2010 - 1211 7 kpc 2012 - 1511 Tream Stage 2017 With States | Water | FT-ACTUARIES WORLD INDICES STATE OF THE PARTY African Dov 11¹-2010.

Adian Dov 10¹-2010.

Adian Dov 10¹-2010.

Adian Dov 10¹-2009.

Fram 11²-2009.

Fram 11²-2009.

Boc Cap 1988.

13pc 37-20.

14pc 37-20.

14p Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited in conjunction with the institute of Actuaries and the Faculty of Actuaries 1824 -4 1884 -4 1884 -4 1892 -8 1209 -8 1209 -8 1204 -8 1254 -9 1854 -9 1264 -10 1274 -5 11274 -5 2,000 Med 00 Sci00 1,200 Med Med 1 305 Med Sci00 3,000 Med 20 Med 1,900 Jy15 Jul 5 3,000 Sci0 Med 1,200 Med Med 1 1,200 Med Med 1 1,200 Med Med Med 1 4,000 Med Med 1 4,000 Med Med 1 5,000 Med 1 5,00 25.2 - 25.3 1331 22.2 1308 14.18 1259 18.1 1347 17.2 1264 12.10 1265 12.1 1290 18.10 1308 21.1 1349 YATTONAL AND REGIONAL MARKETS THURSDAY MARICH 25 1993 FREDAY MARCH 26 1993 DOLLAR INDEX 1,000 % chg hom 31/12/92 Gross Div. Yield Pound Starting Index Local Currency Index 1892/30 Low Currency 1982/93 High 46% 46% 52% 25% 30% 20% 20% 369 FeT Aut 1,999 Jet Oat 122 Apt Oct 56 Apt Oct 276 5.hAp.byOc 478 Apt Oct -1.8 -2.3 -.4 --2 --20 -1.7 29.12 1239 28.30 1352 23.2 1243 23.1 134 13.1 224 23.2 1315 129.62 153.98 119.25 186.70 123.26 152.27 113.47 142.12 167.05 273.94 117.61 89.80 139.42 168.76 94.84 129.69 248.25 262.28 145.70 175.71 67.68 80.96 89.77 140.95 277.43 282.42 5351.21 1790.77 130.16 189.70 45.83 48.52 145.55 192.95 184.96 229.63 1174.53 263.60 112.14 161.72 179.37 200.28 106.57 122.37 171.00 200.07 181.95 188.27 of stock

Australia (68)

Austria (18)

Belgium (42)

Canada (113)

Derment (33)

Finisand (23)

France (98)

Germany (62)

Hong Kong (56)

Ireland (16)

Italy (73)

Jepan (471)

Malaysia (69)

Medico (18)

New Zesland (13)

Norwey (22)

Singapore (38)

South Africa (80)

Spain (48)

Sweden (36)

Sweden (36) 102.43 104.78 109.41 91.68 144.50 54.88 119.29 82.56 116.14 42.03 90.53 203.80 1185.52 120.53 116.68 84.75 120.53 134.51 103.99 109.21 134.50 134.51 103.99 109.21 134.51 103.99 109.21 103.90 107.13 108.48 110.51 +8.0 +13.2 +16.5 +5.3 +10.7 +8.6 +14.6 +12.5 +10.4 +10.8 +10.8 +10.8 +10.8 +10.8 +10.8 +10.8 +10.8 +10.8 +10.8 +10.8 +10.8 +10.7 +10.8 +10 10021 140,63 148,62 128,71 198,80 74,90 160,22 111,75 251,81 151,81 152,82 152,60 48,19 164,40 175,74 125,89 113,60 175,00 185,00 185,00 185,00 102.07 103.72 109.52 303.44 146.14 54.73 118.15 82.43 118.53 111.96 41.94 80.77 205.60 1107.20 121.54 84.08 113.86 113.86 113.86 114.62 82.79 128.46 138.46 138.46 138.46 118.16 119.36 128.05 107.53 167.08 62.98 62.98 62.98 62.97 135.97 14.26 103.32 236.72 134.55 149.15 107.73 145.15 145.15 157.04 143,76 172,96 137,51 128,96 230,53 777,89 152,86 117,82 208,43 158,62 89,63 106,70 240,89 1708,47 149,51 149,51 170,24 170,24 170,24 189,15 18 139,27 142,47 124,67 196,61 142,19 112,25 254,17 155,20 57,16 125,09 277,11 1613,28 165,94 46,45 156,23 219,62 174,38 128,28 158,62 174,38 128,28 +11.3 +1.6 +11.7 +7.8 +5.6 +7.9 +10.2 +10.2 +14.3 +14.3 +17.2 +17.2 +17.7 +10.0 -2.1 +18.3 +17.7 +10.0 -2.1 +17.7 +10.0 -2.1 +17.7 +10.0 +17.7 +10.0 +17.7 +10.0 +17.7 +10.0 +17.7 +10.0 +17.7 +10.0 +17.7 +10.0 +17.7 +10.0 +17.7 +10.0 +17.7 +10.0 +17.7 +10.0 +17.7 +17.7 +10.0 +17.7 + 138.49
141.66
147.38
123.96
195.50
74.19
161.28
111.51
154.32
55.83
122.40
275.55
1604.19
155.32
157.72
114.57
170.87 195.41 195.82 147.68 125.97 195.67 75.77 159.29 111.10 250.09 150.35 127.30 163.85 173.81 163.85 174.72 126.20 174.72 126.20 175.91 174.72 126.20 175.91 175.91 175.91 175.91 108.18 121.16 131.18 111.38 181.70 52.84 136.93 107.59 176.36 122.98 47.47 212.49 1116.84 147.98 37.39 191.05 134.21 107.10 95.99 161.86 160.92 d fig and a 150 9.70 Objective analysis & strategies for the professional investor. TREE STATE OF THE PERSON NAMED IN The second secon etals Market Myths and Duff Forecasts for 1993 For FX Professionals Only: **Call Today for Your** Complimentary Copy +44 71 240 2090 **FXWEEK** 185.02 138.46 140.36 103.51 146.71 108.20 131.98 97.32 181.39 97.32 181.39 89.53 172.18 127.00 133.15 98.20 147.57 108.84 149.55 110.31 185.80 123.86 159.55 145.56 125.64 131.21 100.24 120.56 171.18 132.38 148.72 148.69 Europe (775).
Nordic (114).
Pacific (1489).
Euro-Pacific (1489).
North America (635).
Europe & UK (549).
Pacific Ex. Japan (243).
World Ex. US (1680).
World Ex. UK (1975).
World Ex. So, A£ (2142).
World Ex. Japan (1731). 141.39 148.50 127.68 133.17 179.26 122.47 172.83 134.23 147.49 149.57 165.19 140.60 147.66 126.96 132.42 178.25 121.78 171.85 133.47 146.66 148.72 164.26 119.15 124.52 107.26 112.01 153.95 108.05 148.15 118.01 105.26 126.94 131.71 146.95 95.76 110.96 179.17 109.73 156.43 112.45 130.77 134,00 160.07 156.88 188.52 141.97 145.51 182.36 132.96 175.31 148.91 150.58 153.05 131.31 141.24 93.70 113.80 156.70 111.33 146.06 115.99 127.21 130.04 151.93 141.33 174.03 110.43 123.03 162.80 123.39 157.08 125.47 134.74 137.23 156.03 2.51 1.69 1,24 2.23 2.76 2.96 3.44 2.25 2.26 2.46 3.05 +5.9 +6.4 +9.3 +7.9 +2.6 +9.4 +0.6 +7.8 +6.1 +4.2 +4.0 +0.1 +16.4 +10.7 +2.9 +7.1 +11.0 +10.5 +8.1 +7.1 +3.8

+7.2 148.78 110.05 126.85 134.56 +5.6 2.46 148.76 149.63 110.36 127.00 134.38 153.70 130.66 137.81 Base values: Dec 31, 1988 = 100; Finland; Dec 31, 1987 = 115.037 (US \$ Index), 90.791 (Pound Sterling) and 94.94 (Local); Nordic: Dec 30, 1988 = 139.85 (US \$ Index), 114.45 (Pound Sterling) and 123.22 (Local).

Copyright, The Financial Times Limited, Goldman, Sachs & Co. and NatiWest Securities Limited, 1987

Constituent change during the week ending 26/3/93: Deletion: froman Corp. (Japan). Malaysian market closed March 26.

SATQUOTE

REAL-TIME NEWS VIA SATELLITE

* AFP-EXTEL * P.R. NEWS * MARKET NEWS * * FUTURES WORLD NEWS *
CALL - LONDON 071-329 3377 / FRANKFURT 69 638 021

FOREIGN EXCHANGE

SEP VICE 24 HOURS CAL Fatures Lad 162 Queen Victoria Street London ECAV 485 Tel: 001-120 3030

F=:071-329 3910

MORE INFORMATION AT YOUR FINGERIIPS The NEW Futures Pager now updates even more Currencles, indices, Futures and interest Rates every 2 minutes, 24 hours a day. Call 071-895 9400 now for your free trial. **FUTURES PAGER**

Fax: +44 81 948 8469

An eight year track record of successful forex fore

を受ける。 では、 のでは、 のでは、

26	FINANCIAL TIMES MONDAY MARCH 29 1993
	VDON SHARE SERVICE INVESTMENT TRUSTS - Cont. I
Anno Corress 187, 22 31.00 Fellipfativ 29,3 1594 Unigroup 1 20 16.7 - 8.85 6345 Cap Fin 10-laps 125 -48104.5 - Anno F 2 1 387, 21 387,	Publishments Last City Frick Ohr Divisionals Last City Frick Ohr Divisionals Last City Frick Ohr Divisionals Last City Ohr
Catifurda Engy 1159 0.1 - ADT 3 St. 200 ACam & Harvey 21 Acam & Harvey	Agr Get 15.2 2881 NS bill
Ford Motor	Peb Arm 12 2009 Record 76
MYNES	Due Jan 13.12 478 1 Tenning Configura 1 1 478 Toronby Cardina 1 20 1 20 1 20 1 20 1 20 1 20 1 20 1 2
Windpool	Second Process Seco
Can largo Sk. 14656 -0.6 \$1.32 Jackplot 28.1 \$2.1 \$4.0 \$1.00	Berr Oct 4,1 6885 Serr PGS
Double D	1287 1887 Haziment 178 1.1 1.1 2.5 Jan bet 30,11 2880 San Affacos 344 4.7 4.35 Jan Bee 3,10 4334 (2.5 LK Smir Crs 188 1.5 Let Smir Crs 188
ARM Auro F 118 - 2.5 (1891). 1.9 (180 pt lay 1.9 180 pt lay 1.9	Dec 471 2555 Madesward (2)
Fig. Criss 1.122	183 183
Southern Tet Y	18.5 18.5
Section Control Cont	Det 7.9 3515 Serger 1.9
Countries 40 41 41 42 42 43 44 44 44 44 44	Column C
Paramount 540 165 -2.3	## Time 19,10 style Supplies 17 185 186 187 186 187 186 187 186 187
Moles	### 19.10 2027 Printing of the Control April 250 19.55 4.1 Jan Sap 14.12 1449 Marches 21.5 1.3 244 Marches 21.5 1.3 245 Marches 250 1.2 245 Marc
Colonian	1 1 2 2 2 2 2 2 2 2
Wirepate	Sign 1 1 1 1 1 1 1 1 1
No. 1.5	10 12 12 13 13 14 14 15 15 15 15 15 15
Stater (A) 42 1.3 - Lan 9.12 States Westport 20 5ty 4.6 970 4885 92 bid 1 92 1.2 7.32 9.7 Jan 9.12 States (A) 4.5 1.9 1.7 5ty 6 Many Mars 1.3 4.5 1.9 1.7 5ty 6 Many 1.3 4.5 1.9 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7	120 219 2789 Fartino Boots

¢CH 29 1993

| Description | Section |

THE PROPERTY OF THE PROPERTY O

FINANCIAL TIMES MONDAY MARCH 29 1993 MENT TRUSTS - Cont. #15.5 De Designation | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | 1982 | Specialist for Service *** By Street By | Day | Siche | Proc | 17 14.4 8.3 13.26 6.3 07%, -14.3 ---3.0 09%, -1.3 2.80 -2.8 2.80 -5.0 5.80 -4.8 6.0 12 12 17 3 16 16 2304, 2305, 362 667 680 222, 955, 1.0 Day Jon 28.10 — \$\phi\text{Nov Hay} \, 2.10 \, 2322 \\
1.5 \text{Phi\text{Aug}} \, 1.7 \\
1.3 \text{Apr Oct } \, 24.2 \, 2879 \\
1.5 \text{Par Oct } \, 14.10 \\
- \, 3823 \\
1.4 \text{Mar Sup} \, 22.2 \, 3880 3 4884 Constants 3 51 Constants 3 51 Constants 5 7 Constants 6 Constants 6 7 Constants 6 Constants 6 Constants 6 Constants 7 Constants 6 Constants 6 Constants 6 Constants 6 Constants 7 Constants 6 Constants 7 Seriescol' at Scheman

11pc Cr Ln 103/04

10pc | Wide chings | Let | State | Let | #15. FOR MINING

#15. By the Stateman Land
Price circle test up. paid in
17304 - 23 6.8 - may like 15.3 1
189 - 2.5 2.48 1.5 Jan July 18.7 1
170 - 2.5 2.48 1.5 Jan July 18.7 1
170 - 2.5 9.4 Feb 20.5 1
170 - 2.5 9.5 July 18.7 1
170 - 2.5 1.5 July 18.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1.7 1
170 - 2.5 1
170 - 2.5 1
170 - 2.5 1
170 - 2.5 1 79 ASSE | ASSE | Section | ____ Q15e 5.0 liev ___ 2.0 7.A Apr Ang ___ 2.0 - Ang Apr 11 80 23 72 -5.8 0465c 2.5 0ee Jun 23.11 1807 13.036c 2.1 Jun Aug 17.12 1808 3.2 6075c 1.5 Jun Aug 17.10 1838 4 Dec Jun 21.0 1838 4 Dec Jun 21.0 1838 4 Dec Jun 27.1 1 4 Dec Jun 21.0 1838 4 Dec Jun 27.1 1 4 Dec Jun 21.0 1808 4 Dec Jun 27.1 1 4 Dec Jun 21.0 1808 4 Dec Jun 21.0 180 MISCILLANEOUS | Washing | Wash Assistation Arthe Explo.
Arthe Explo.
Bostor Sold.
CRA.
Crahmy led.
Coulonly led.
Coul OTHER PHANCIAL INVESTMENT COMPANIES Wr. 5. Dr. Dielende Piece of Apr est. cold 1807 — 01.40 Apr 1202 — 08.40 Apr 1202 — 08.40 Apr 1203 — 19 To Dec 1203 — 1.2 GRES Sep Apr 1204 — 1.2 GRES Sep Apr 1204 — 1.2 GRES Sep Apr 1205 — 0.3 GRES Apr Dot. 1207 — 0.3 GRES Apr Dot. 1207 — 0.3 GRES Apr Dot. 1207 — 0.4 GRES Sep Apr 1208 — 0.5 GRES Apr Dot. 1209 — 0.5 GRE 100 mg | Mar. | Land | Chy | Chy | Chy | Land | Chy 2010 AFF India
2010 AFF India
2010 Aberdona Treat
2020 Alex Corp S.
2021 Sept. Corp S.
2021 Sept. Corp S.
2022 Affect Helder
2021 Sept. Corp S.
2021 Sept. Corp S.
2021 Sept. Corp S.
2021 Sept. Corp Sept.
2022 Arthoryton Scholar
2023 Canadactala sept.
2024 Canadactala sept.
2025 Canadactala sept.
2026 Canadactala sept.
2026 Canadactala sept.
2026 Canadactala sept.
2026 Canadactala sept.
2027 Canadactala sept.
2027 Canadactala sept.
2027 Canadactala sept.
2027 Canadactala sept.
2028 Canadactala sept.
2 General Colle 6
Westernist
Warrests
Warrests
Warrests
Warrests
Warrests
General
Goode An End 3
Hongarine Inte 8
Hongarine
Inthe Final
Interests
Inthe Final
Interests
Intere Excellior
Pater Page
Paterny Group
File
Paterny Group
File
Paterny Group
File
Front
Geatleane
Ge 44 ---- 017/gs - Oct 126 --- Offic 16.4 Aug 81 --- 012c 3.2 Dec Noy 161 --- 016c 8.4 Jun 8.8 1714 13.7 2728 2.11 2272 14.12 2844 Adjectionses
Anglesty.
Anglesty.
Anglesty.
Caludorin Min.
Cape Renge.
Core Metch P.
Encur Int III.
Biscom Equi III.
Breconich Pers. 24 720 17 Januar 2011 3972 |
-68 275 12 Januar 2012 3728 5
-68 275 12 Januar 2012 3728 5
-68 275 12 Januar 2012 3728 5
-68 28 12 Januar 2012 3728 5
-68 28 28 Januar 14.12 3728 7
-68 29 Januar 14.12 372 3.8 Per Jan 10,12

— Jan Jel 316
3.6 Aug 12,1
4 New Jel 22,10
4 New Jel 23,10
4 New Jel 23,10
4 New Jel 23,10
5 New Jel 23 Practicities
Prestages 1 of PF
Protages 1 of PF
Protages 1 of PF
Protages 2 of PF
Protages See Considerer 8
See Considerer 8
See Considerer 9
See Considerer 9
To Fee Cons 74 3.6 16 10.7 31 10.7 31 ----35 ----36 1.4 54 18.7 10.4 10.7 4,000 2.87 0.71 12.4 10.6 2.80 7.70 0.61 10.17 . 超界的风味性等电路电影性影响的人 超过多数 15 克克克克斯 医多种 15 克克斯 2.5 Jun Hay 9 2.5 Jun Hay 9 2.4 Jun Oct 4 Rev May Hotho ...
Hotho ...
Hotholin ...
Hotholin ...
Hotholin ...
Hotholin ...
Hotholin ...
Pattland ...
Plantand ...
Relyon ... Register (Special Control of the Con SUBJE TO LONDON SHAKE SERVICE Which Div Div Distance Last Div Phice chings next next, paid at line 231 -4 19.3 2.4 0 m. p.m. 4.1 8402 288 1.6 28.0 2.5 p.m. 4mg 4.1 -286 -6.1 7.5 2.9 Jun Jun 4.1 -285 -2 28 Jun Jun 4.1 14.12 2405 286 0.4 8.5 2.0 Jun Jun 14.12 2406 286 0.4 8.5 2.0 Jun Jun 14.12 2402 240 0.4 8.5 2.0 Jun Jun 14.12 2402 240 0.4 25.5 3.6 0 m. 14.12 2402 240 0.4 25.5 3.6 0 m. 14.12 2402 250 0.4 40.2 2.1 Jun Jun 10.11 2402 250 0.4 40.2 2.1 Jun Jun 10.11 2402 240 1.4 10.2 2.1 Jun Jun 10.11 2402 240 -4 10.2 2.1 3 m. p. 10.11 2402 240 -4 10.2 2.1 3 m. p. 10.11 2402 240 -4 10.2 2.1 3 m. p. 10.11 2402 240 -2 21.4 3.0 0 m. 11.12 2402 240 -2 21.4 3.0 0 m. 2.0 Nov New 2.10 4405
3.5 Jun Ave 20.11 3803
3.5 Jun Ave 20.11 3803
3.6 Jun Ave 20.11 3803
3.6 Jun Ave 20.11 3803
3.7 Jun Ave 20.11 3803
3.8 Jun Ave 20.11 4803
3.8 Jun Ave 20.11 4803
3.0 Nov Ave 10.1 4803
3.0 Jun Ave 10. community indicated.

Where stocks are decominated to correctles other than electing, bulletted dier the reton.

Distinct once the reton.

Distinct course we besend on "mankmon" distribution; this comparison of the comparison of Anglian
Bristo Wale
Chateo A
B NV
Ent Servil
Roft Mari
Rorik West
Rorik Street
Southern
Southern
Themas
West
Themas
West
Testable distribute the inent actively breied shocks. This includes UK shecks visitors transcurious and prices ere published continuently firetally like the inent actively breied shocks. This includes UK shecks visitors becamed or visitors. The includes UK shecks visitors becamed to visitors. The includes UK sheck the internal prices ere published continuently firetally like the internal process increased or visitors. The includes UK sheck the internal process increased or visitors. The includes UK sheck the internal process increased or visitors. The includes UK sheck the internal process increased or visitors. The includes UK sheck the internal process increased or visitors. The includes UK sheck the internal process or report assembled. Not officially UK black the internal process of the or of concess, in the internal process of the or of concess, in the internal process of the or of concess, in the internal process of the or official collections. It is a process to the or official collections. It is a process to the or official collections in a process to the or official collections. It is a process to the or official collections. It is a process to the or official collections. It is a process to the or official collections. It is a process to the or official collections. It is a process to the or official collections. It is a process to the or official collections. It is a process to the or official collections. It is a process to the or official collections. It is a process to the or official collections. It is a process to the or official collections. It is a process to the or official collections. It is a process to the or official collections. It is a process to the or official collections. It is a process to the or official collections. It is a process to the or official collections. It is a process to the or official collections. It is a process to the order of the ord Acets
Adecone
Adecone SOUTH AFRICANS **STORES** | Proc Ching and cont. | Self Affection Programme Progra Costoner
Flano
Eng China Chine
Eng China Chine
Enguner Inf.
Ferrosset.
Hurrier (F)
Huselung
Hymite
Kaleny Inde
History
History Milita
Warrante
Matery Baddon
Heletor Baddon
Midemodi Facilit
Metero Baddon
Midemodi Facilit
Metero Group
Minor Offer
Heletor Corp AS

Copress

Cop This survice is positivité to compresse values abuses por régalissés trates in the little d'Ampères to a lite et 1935 à year le result mountly shown, unique le Sin Ballor's discretion | PAPER & PRESTING
| Wis. Str. Str. Delamate Leaf
| Str. Chings and Law. July 18 |
205 - 25	75	14	14	14	12
176 - 25	14	14	16	16	14
176 - 25	14	14	16	16	
176 - 25	14	14	16	16	
176 - 25	15	15	16		
176 - 25	15	15	16		
176 - 25	15	16			
176 - 25	15	16			
176 - 25	16	16			
176 - 25	16	16			
176 - 25	16				
177 - 25	25				
178 - 25	25				
178 - 25	25				
178 - 25	25				
178 - 25	25				
178 - 25	25				
178 - 25	25				
178 - 25	25				
178 - 25	25				
178 - 25	25				
178 - 25	25				
178 - 25	25				
178 - 25	25				
178 - 25					
178 - 25	25				
178 - 25					
178 - 25	25				
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 - 25					
178 -PACKAGEIG, PAPER & PRETITIO Great Gebrussel.					

A Sampelon 1 Sa 1.9 3113
3 3113
3 313
3 313
3 313
3 310
3 700
3 700
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 100
5 The following changes have been made to the FT Share information Service: Additions: JF Indonesia Fd Wha (nor Trusts) and Melanerriery (Prop.). Deletions: URS Intil (Americans), Holmes Proto and Rentaminator (Business Servet, AB Electronics (Bectronics), Becuford 7p Pri (Frag General), Wardis Roberta (Food Retelling), Acom into (Intrusts), TVS Entirett Ord and 7/4p Pri (Media) and Printech (Pacing & Paper).

FT Americal Resports Services
You can obtain the current annual/interim report of any company annotated with \$1. Ring +44 81-843 7181 (open 24 hours including westended or fax +44 81-770 0544, quoting the code FTS4S9. Reports will be sent the next working day, subject to availability. Please remember to state the weetly changing code above.

FT Citylisme
Real time share prices and other stock market information leavailable through the FT Cityline interrestional telephone service.

Annual subscription 1250.00 stg.
Call +44 71-825 2128 for more details. 16.9 (20h - Apr - 2.7)
16.9 (20h 1.3 Jan Dae 28.10 1920)
11.5 (20h 1.5 Jan Dae 28.10 1920)
11.5 (20h 1.6 Jan 30.12 - 2.7)
12.0 (4.6 Jan 30.12 - 2.7)
12.7 (2456 1.8 Jan Dae 28.10 2022
18.2 (20h 2.4 Jan Dae 28.10 3187
28.8 (20h 2.4 Jan Dae 28.10 3187
28.8 (20h 2.4 Jan Dae 28.4 4822 76 -28 Q30c 3.0 Feb Aug 12.2 1967 9 90 8.8 (198c 1.0 Mar Sap 27.7 2000 105 12.5 Q20c 3.0 Feb Aug 30.12 2330 135 12.5 - - - 600 2004 136 21.5 (1980 1.8 Aug Feb 30.12 100.2 221 147 Q30c 3.5 Mar Sap 12.2 300.4 190 6.8 Q30c 1.3 Jan Jel 30.12 200.1 190 6.8 Q30c 1.3 Jan Jel 30.12 200.1 200 -1.7 Q30c 3.5 Feb Aug 30.12 300.4 190 7.7 Q30c 3.5 Feb Aug 30.12 310.4 190 -1.7 Q30c 3.5 Mar Sap 12.8 407.7 190 -1.7 Q30c 3.5 Mar Sap 12.8 407.7 227 227 Q10.0 3.5 Mar Sap 12.8 407.7 228 10.0 10.0 3.5 Mar Sap 12.8 407.7 229 227 Q10.0 3.5 Mar Sap 12.8 407.7 230 3.5 Mar Sap 12.8 407.7 24 227 Q10.0 3.5 Mar Sap 12.8 407.7 25 22.7 Q10.0 3.5 Mar Sap 12.8 407.7 27 22.7 Q10.0 3.5 Mar Sap 12.8 407.7 . Dir Dijliyadı. Cas. gald 物がある。日本の日本の

计是法律操作 清

TML #7 Sa TM 75 E TROM 0.48 4.0 21 226 0.18 0.5 30 469 7.80 27 21 487 200 5.0 26 867 0.50 0.5 867 0.50 0.5 187 0.50 0.4 4 3 0.96 8.5 187 0.78 8.5 187 0.78 8.5 187 0.78 8.5 187 0.78 8.5 187 0.78 8.5 187 0.78 8.5 187 0.78 8.5 187 0.78 8.3 196 0.96 8.5 197 1.05 10.2 47 1.05 10.2 47 1.05 10.2 47 1.05 10.2 57 1.05 50.5 187 0.48 2.3 1 55 3.00 5.9 2.2 8.200 5.2 8.200 5.2 8.200 5.2 8.200 5.2 8.200 5.2 8.200 5.2 8.200 5.2 8.200 200 5.0 6 880 25 050 4.0 1 0.78 8.5 1 0.78 8.5 1 0.6 8.6 1.06 10.2 0.78 8.3 0.40 5.1 18 787 12 48 2.3 1 報 する -34 44444 **4** 13 4

 Table 1
 <t 19th Law Sheek
18th Sheek Sheek
18th Sheek Sheek
18th Sheek Sheek
18th Sheek Sheek
18th - C -224 - 224 -

न्द्रानद्रात न नहान नहान न न हर 中国的一个工作的工作的 stibilities its المهل الماليالية المينائة فالمناطة لمعلق طن أداأف ا 计分析 好情 好的好好好好好 古 牙 牙 不 打不上的好好的好好好 化你分子

The Composition of the Compositi +24 - E -212003772558271425113015015072786772201514444444388888888786711430150150172201544444448888888887867721144664778677114664 古古古古り *******

-1₄

2014 1912 HSG Hears
4072 30 HK Fra ADR 1.57 4.0 28 613 1616 11 1816 Heartens
10 314 4 1816 Heartens
10 314 1816 Heartens
11 315 Heartens
11 315 Heartens
11 315 Heartens
11 316 Heartens
11 3 19-y on reason was 24-h 12 Hudy Corp 16-h 10-b Hoghes Sup 16-h 3-h Humans Ind 17-h 11-h Sont Mig C 23-h 9-h Hustingdon 12-h 11 Hyperion 15 154 75 154 97 114 1849 1849 1849 1849 1849 1849 20% 144g BP los
336 24, ICM Prop
234 54, ICM Prop
234 174 P Treatment
114 9 BF Proper
73 245 General Corp
234 174 P Treatment
114 9 BF Proper
73 245 General Corp
234 254 BP 42 BF 4 17.3 (13) 17.3 (13) 18.4 (14) 18.4 (44444 444 4444 456444

44444 \$44444444444 4-4-4 ナナナナナナナナナ

494

我们的 电水道电影电影电影电影的

李本本本本本本本 大方山

45 28½ J Reer PP
46 38½ J Beer L
19½ 2½ JMP Inc
24½ 7½ Jacobs Eng
8½ 27½ Jacobs Eng
8½ 27½ Jacobs Eng
8½ 27½ Jacobs Eng
11½ 7½ Jac Jacobs
11½ 7½ Jac Jacobs
11½ 57½ Jac
101 38½ Jac
101 38

24²g 12¹g 12M R Dich 28²g 20²g K Mart Crp 34 20³g 10H Energy 55 20K Kant 4.5 28³g 17²g Rambi² P 10¹g 8³g Kanb Srp 5 23³g 13³g Kanb Srp 15³g 13³g Kanb Srp 25³g 14³g Kanb Srp 25³g 14³g Kanb Srp 25³g 14³g Kanb Srp 25³g 14³g Kanb Mart 25³g 11³g Kanp Mart 11³g 11³g Kamp Mart Mart 11³g 11

好好 经有限者 经日 有有情 一切 经存在与有者 化子 人名英西西
 TALL
 PY
 Sh

 OBY
 SE
 100
 97
 442

 1.00
 2.8
 181538
 363
 36

 2.50
 8.8
 23
 224
 1.8
 1.7
 1.9
 2.5
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8
 1.8

- H -

61g 112 Second loc 371g 25 Second loc 371g 25 Second loc 371g 25 Second loc 371g 25 Second loc 271g Second loc

- L -201 5.2 16 200 38² 38² 4

5 149 12² 12² 22² 13

1 12 2² 22² 13

2 12 22 42 178 22² 32² 32 164, 9 LA Series

144, 94 LS Logic

18 2 LIV 5.25

18 2 LIV 5.25

19 2 15 LIV 1.25

2 15 LIV 1.25

2 15 LIV 1.50

305, 144, to Chinic lat

18 14 LIV 5.00

305, 144, to Chinic lat

18 114, Lorishina

18 115, Lorishina

18 116, Lorishina

18 116, Lorishina

18 117, Lorishina

18 118, Lorishina

18 1

18¹2 18¹2 30¹4 15²4 84¹2 19⁵8

وتب

中文大名文字 中 中国中国中国中

4 4

ISSEMBLE Low Stands

1312 9 Mayers Cou
3014 214 Mayers Int
6014 4614 Minderly Cl
471 2 Minmerly Cl
472 14 Mayer Prup
814 414 Minmerly Cl
3014 2314 1114 Minmer Cl
3014 2314 1114 Minmer Cl
7714 51 Myocara CP
2014 675 Nyor India

444 | 1.5 | 1.7 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 A M A COM

BST 435-142A los

ST 455-142A los

ST 455-142A los

ST 255-142A 是是这个人,我们就是这个人的,我们也是是这个人的,我们就是这个人的,我们就是这个人的,我们就是这个人的,我们就是这个人的,我们就是这个人的,我们就是这个人的,我们 1995年,我们就是这个人的,我们就是这个人的,我们就是这个人的,我们就是这个人的,我们就是这个人的,我们就是这个人的,我们就是一个人的人的人们的人们的人们的人 ₽<mark>5</mark> 经外外的 中 不是 不是 有其 有其 十十十 一大年 4444 されなるよ ちょうなるして

274g 144g Oxford Intil

274g 144g Oxford Intil

274g 144g Oxford Intil

274g 174g PHM Corp

34 234g PMF Chang

34 234g PMF Chang

354g 50 PMG Intil

200 34 22 720 684g

354g 50 PMG Intil

200 34 22 720 684g

354g 50 PMG Intil

200 34 22 720 684g

354g 50 PMG Intil

200 34 22 720 684g

354g 50 PMG Intil

200 34 22 720 684g

354g 154g PMG Schan

1.22 4.7 13 1152 237g

274g 174g PMG Schan

1.22 4.7 13 1152 237g

274g 174g PMG Schan

1.24 4.7 13 1152 237g

274g 174g PMG Schan

1.24 4.7 13 1152 237g

274g 174g PMG Schan

1.24 4.8 4.9 42 1033 184g

274g 154g PMG Schan

1.24 4.8 4.9 42 1034 184g

274g 154g PMG Schan

1.28 4.8 1.9 5 1239 235g

274g 154g PMG Schan

2.24 1.7 PMG Corp

2.24 1.7 PMG Corp

2.24 1.7 PMG Corp

2.24 1.7 PMG Corp

2.25 1.7 PMG Schan

2.26 1.27 PMG Schan

2.27 154g PMG Schan

2.28 1.7 17 800 177 184g

2.29 154g PMG Schan

-P-Q ### 197 | Plectromotion | 1.84 | 2.14 | 78 | 4874 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | 4854 | * *** *** - R -

Price of the control of the control

THE TABLE STATE OF THE STATE OF 84 34 22 32 4 4 25 57 4

114 273

the extended a telephological

المكان المال

141, MBB Budcy
741, SS14, MCX Corp.
145, SS14, MCX Corp.
145, SS14, MCX Corp.
145, SS14, MCX Corp.
146, MCX Corp.
147, MCX Corp.
147, MCX Corp.
147, MCX Corp.
147, MCX Corp.
157, MCX Cor

日本であるから 十七十

大学中华 大大学士 大子

+148

中 はちからなる おおかれなるなる

-* ** ** * * * * * * * *

FINANCIAL TIMES MONDAY MARCH 29 1993

RCH 29 1993

THE BLANCE THE BUT THE

Q-

在19年2月1日 19年2日 19

COMPOSITE

NASDAQ NATIONAL MARKET

4 pm close March 26

马马马马西西地名西西西西西

- X - Y - Z -36 2473 35¼ 33¾ 25¼ +1¼ 3 1139 7¾ 67½ 7½ 0.94 18 2590 24½ 2350 24 7 1809 61% 61½ 61½ 61% 0.84 16 349 49 47¾ 49

NYSE COMPOSITE PRICES

NASD

N Carpe Trans.

High here Minan.

55. S. Unindent L.

12-19. TO Herber Day.

34-14. 22-14. Union Cay.

35-1. 22-14. Union Cay.

15-1. 22-14. Union Cay.

16-1. 31-14. 15-15. 15-15. 15-15.

16-1. 31-14. 15-15. 15-15. 15-15.

16-1. 31-14. 15-15. 15-15. 15-15.

16-1. 31-14. 15-15. 15-15. 15-15.

16-1. 31-14. 15-15. 15-15. 15-15.

16-1. 31-14. 15-15. 15-15. 15-15.

16-1. 31-14. 15-15. 15-15. 15-15.

26-1. 27-1. Union p.

26-1. 27-1. Union p. 10. 17 S. 100 Tab Law Color 2 1000000 TOL TO IN THE COMME. 27 Ma 28c. ij 106s Par. 1 106s 16ph Law Law Camp
12 911 34½ 33¼ 33¾ -14
85 294 4½ 4½ 4½ 4¾
65 55 7¾ 7 7¾
0.20 18 91 25¾ 24¾ 25 -14
0.92 10 549 32½ 31½ 32 +½
0.95 10 549 32½ 31½ 32 +½
0.95 17 196 37 36 37 -5
0.12 17 1454 22 21½ 22
4 949 14¾ 14 14½ +14
1 678 101¾ 9¾ 10 +1½
1 678 101¾ 9¾ 10 +1½
24 157 31¾ 31 1½ +½
7 8074 12¾ 13⅓ 13½ +½
22 2042 9¾ 9 9¼ +½
14 23518 57¼ 55⅓ 55⅓ 55⅓ 2½ | Fig. - | F - R -| 1006 A | 705 2707 \$5¹4 \$4¹4 \$5¹4 \$4¹2 |
La Pellan	17 22 \$4¹4 \$4¹2 \$2¹4
Land Perm	0.72 \$4 808 \$13¹4 \$12¹4 \$13
Lann Renh	38 \$1703 \$100¹9 \$29¹2 \$30 \$5¹4
Lann Renh	0.85 \$1 \$118 \$23¹4 \$23¹4 \$23¹4 \$4¹4 \$4¹4 \$10¹4 \$10 1444 1444 1444 444 BSB Brap BY Snipng Buffets Bufdersi bursup 46 Berr Bran Bufdersifi Buffettig Bytes 260 9 20 344, 332, 34 46 2 191 274, 213, 244 30 2195 312, 394, 31 181 30 72, 74, 74, 8 105 3 32, 34, 77 135 8 74, 74, 13 6 232, 224, 237, 73 2400 184, 184, 184, 7 460 34, 32, 32, 19 3 Sessioners
10 2 Superior
10 3 Superior
10 4 4 Superior
10 5 Superio Maximo P Mr Collina MTS Byta Multanedia Myoogen 1.12 2 0.34 2 0.16 0 0.78 2 0.18 0 0.02 0 0.02 0 時にものではいい 新たごのから後三名である。 第二名であると 二十十十 十十十十 ******* 0.16 72 327 42 40 4 1 1 2 + 1 4 1 2 1 2 1 2 1 2 1 2 1 1 2 1 1 2 1 flet Compil.

Nat. Data.

Nat. # Man Law Clean Chang

2 20% 20 20%

18 16% 16% 16% 14%

18 16% 16% 16%

18 17 17 17

18 20 20%

18 17 17 17

18 21 11%

18 22 23

24 24 24

25 25 25 25

25 25 25 25

25 25 25 25

25 25 25 25

25 25 25 25

25 25 25 25

25 25 25 25

25 25 25 25

25 25 25 25

25 25 25 25

25 25 25 25

25 25 25 25

25 25 25 25

25 25 25

25 25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

25 25

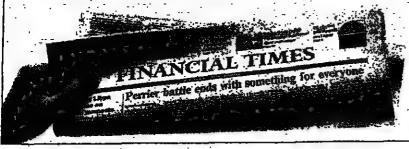
25 25

25 25

25 25 97 10. E 0.24 33 0.10 57 0.80 3 1,14 38 0.25 9 0.70 21 0.12 20 0.72 17 0.30 8 15 20 2100 15 30 2100 17 354 17 354 17 354 18 457 158 प्रकृत्या क्राक्ष diseal:
Oreton
Pogenosi
Pogenosi
Pot HEAP
Pol UP
Planny A
Ply Goon
Plac
President
STW Corp
Start Letter
Start Ell
Start Letter
Start Ell
Start Ell Steet Chemic Che Acten Cpr Air Expr Affin lact Alphe lact Apple lact Armitalize A Armitalize A Armitalia Armitalia Armitalia Astroloch Easte Ca Sectionary Scho Bey Scal En A School Pate Mars From Inc A FeeChydlac Fates (J) Format La Fraguescy Fr oft.com 8.00 11 13 12'4, 12'4 12'4 1.22 0 62 19'5 18'4, 19'5 0.08 22 2220 6'4 6'4 6'4 0.34 15 15'5 15'5 15'5 0 730 5 15' 15' 8 8000 22'12 2 24' Bilat Ocean Baldwaff A Barry RG BAT to d Bears Of Bears Of Bears Of Blo-Red A Blount A Bolar Ph Bow Valley Bowwer Bower Bower A THE PERSONAL 0.55 2 0.94 54 0.71 16 0.40 11 1.00 95 0.46 42 48 0.30 11 1.84 8 - U -The final Property of the Indiana Property of the Indiana Pet Town Craby Tuebro Mar. The Indiana Pet Uniformity Tuebro Mar. Uniformity Uniformity Office of Wangland C Wangland ولې. 7 4 かとう - 0 -0.50 12 11 22 4 22 22 4 3.20 43 8 67 86 7 67 0.20 11 18 10 2 10 10 10 2 5.5 14 60 27 4 27 1 27 4 21 105 31 30 20 20 20 1 15 2100 42 44 42 16 5766 42 41 41 41 4 拉拉 花 4 ルイシルシュー 135 S 6.68 18 788 22⁵ 22¹ 22¹ 6 6.70 13 450 175-616 5; 17 12 58 5 5 5 5 6.2100 45 45 45 6.84 2 1270 36 3 3 56 4 塩十七 21 423 201 197 1 0 12 11 11 11 1 3 9 4 11 1 11 1 1 30 257 41 41 41 1 6 100 45 44 2 28 255 11 5 1 7 5 1 1 1145 3 2 7 Sient FéA Sietitr Goldfield Greannes Gulf Cos. 五字字 ż 0.23 0.01 43 196 084 674 68
0.28 18 34 214 214 214 22 500 244 26 24 24
22 750 244 24 24 24
30 621 174 142 164 14 222 457 264 67 64 67 64 67 67 68 64 67 67 Peccey
Pechanicy
Pecific T
Pacificat
Pecificat
Personal L
Personal L
Personal L
Peccess
Process
Process

IN STOCKHOLM.

If you work in the business centres of Malmö, Lund, Stockholm or Gothenburg we'll deliver your daily copy of the FT to your office at no extra cost. Call Bradley Johnson for details (08) 666 0065.





-

JEJ Sweek
Jeson inc
JEG lyd
Johnson W
Jeson leg
Joseph Cp
JSSI Su
Juno Lig
Jesin

16711002 35 26% 0.12 35 41 25% 25%; 0.13 16 18 85 81 30 344 4%; 5%; - 14 28 5%; 5

25²4 22²4 12 4

MONDAY INTERVIEW

First in the fight for fairness

Herman Ouseley, new chairman of the Commission for Racial Equality, talks to Alan Pike

he Commission for Racial Equality will next week gain its first black chairman and, as a direct consequence, its first chairman to have suffered insults, harassment and violence because of the colour of his skin.

Herman Ouseley goes to the commission from the equally demanding job of chief executive of the London borough of Lambeth where, when appointed in 1988, he set another record as Britain's first black local authority chief executive.

Reaching the top of powerful organisations, public or private, is still relatively rare for members of Britain's ethnic minority communities. As someone who was born in Guyana, came to Britain as a child in 1957 and grew up as part of an immigrant family in south London, he shares a personal history with many of Britain's black people.

"My experiences are ones that are mirrored by many black people living in the inner cities, although I have been luckier than most in being able to side-step the difficulties that a lot of people have not been able to escape from," he says.
"I have suffered having

bricks and bottles thrown through our window and other forms of racial harassment. I have been beaten up on my way home from school by groups of white youths and called a black bastard. Things have happened for no reason other than what I look like.

"I have failed interviews when I felt I should have been successful, but how could [prove it was discrimination? The majority of people who are discriminated against cannot prove it. I have been picked up by the police for no reason. I have sued the police for wrongful imprisonment and won."

Ouseley's origins give him an appreciation of the lives of ordinary black people in Britain that none of his predecessors in the CRE chairman's office - however committed to its goals of eliminating racial discrimination and promoting equality of opportunity - could totally share. This does not mean that the new chairman will arrive determined simply to be a strident, onedimensional advocate of black rights. Ouseley has a strong sense of balance, and it shows as he continues to review the

mine his style in the post.
"At the other end of the spectrum. I have had the experience of being a black person in a powerful position. Other black people have expected me to be able to do things for them, while white people have thought I might possibly discriminate against them or overlook them. I have had to be seen to be fairer than fair to white people, while bending over backwards to help black people and avoid being accused

of having sold out."

He takes over the commis-sion at a difficult time. Unemployment, even when the economy is flourishing, is disproportionately high among Britain's ethnic minority communities; the recession is aggravating the problem and worsening other social tensions. Ouseley's annual budget at the commission will be limited to a modest £15m and the government plans no growth in real terms at least up to 1995-96. With only about 200 staff and limited funds, it must be selective in its activities, which include giving advice, legal assistance and mounting investigations into allegations of racial discrimination.

Under Sir Michael Day, its outgoing chairman, the CRE has demanded stronger race relations legislation but ministers have not rushed to oblige. Ouseley recognises the commission's limitations. "It is a creature of statute and the government controls its finances. People who think the CRE should be challenging every institutional practice in the world should realise it is impossible. But the commission none the less has a very important job to do in belping to promote a society based on respect, fairness, tolerance and

He supports the commission's call for stronger race relations laws, saying that, while the present act had proved a powerful weapon, weaknesses have been exposed. In some respects, says Ouseley, the legal position on race relations was weakened during the 1980a by other legislation. He cites the 1988 Local Government Act, which he says gives local authorities insufficient power to ensure that contractors pursue adequate equal opportunities employment policies. The value of positive action programmes in overcoming discrimination in amployment has, he says, been



'I have been beaten up...called a black bastard'

black people find it "painful" that the powers of the North-ern Ireland Fair Employment Commission to challenge discrimination on religious grounds in the province are tougher that those available on the mainland to attack racial discrimination.

A conversation about race relations with someone whose experience is in the inner cities inevitably touches the fragile, fraught question of relationships between the black com-

PERSONAL FILE

1946 Born in Guvana. 1957 Family emigrated to Britain.

1963 Began work in local govemment town planning administration. 1981 Principal race relations adviser, Greater London

Council. Assistant chief executive London borough of Lam-

186 Director of education and later chief executive, Inner London Education Authority. 1988 Chief executive, Lambeth.

1993 Chairman, Commission for

Racial Equality,

munity and the police. Mr Paul Condon, the new Metropolitan Police commissioner, made racism the subject of his first public speech, voicing determina-tion to outlaw it in both the community and the force. Ouseley, welcoming strides he believes the police service has made in recognising that it has problems in its relationships with black communities, again takes care to inject balance. Equally, the minority communities have problems with regard to crime and attitudes. They have to face up to these. The law has to be upheld fairly, and people have got to recognise that if they are stepping outside it, they are likely to fall foul of the police."

How does the CRE's new chairman, a role model of black achievement, view the status of ethnic minority com-

munities in Britain today? In the 36 years since Herman Ousaley and his family came to London alongside many other Commonwealth citizens, predictions about how the arrivals would influence their new society have varied widely. Prophets of doom foretold streets alive with serious and repeated race riots; some optimists assumed that there would be an almost magical and effortless assimilation leading to equality of opportunity. Nelther has happened. Ouseley compares individual examples

"You see many Asian names on lists of very wealthy people in Britain. There are half a dozen black members of parliament compared with none five years ago. There are now about five black local authority chief executives, while I was the only one in 1988. But there are more racial attacks and there is more racial violence. There is a high proportion of black people on the unemployment register, in penal institutions and among the homeless. The real problem in race relations is that the worst afflictions affect the black community to

of success with the scale of the

problem still to be addressed.

society." These are big issues, but Ouseley believes they can be tackled through specific, targeted action. He has a reputation as a strong and brave manager - his parting gift to Lambeth was a highly publicised report alleging fraud and corruption in the council, now being studied by the govern-ment – and he emphasises the

scope for clearly thought-out nanagement action as a tool for improving race relations. In 1979, 6 per cent of Lambeth council's employees were from ethnic minorities. Now the figure is 48 per cent, reflecting the ethnic composition of the borough. He would like to see more employers in both the

public and private sectors fol-

lowing the example. "This would not have happened unless people in the organisation had been persuaded that it needed to happen. It required managerial will and political will. "Many examples of success

by members of Britain's ethnic minority communities whether we regard them as token or significant - are as a result of institutions saying: We cannot go on like this. We must make a positive effort.'
There must be more positive efforts to create a structure where people who are being denied opportunities can play their full part in society, unconstrained by race."

Pessimism is a Euro-disease

newspaper, some politibe trying to explain away economic hardship by referring to the "world recession". Don't believe it. Much of Europe admittedly is peculiarly depressed; lengthy dole queues seem to be accompanied nearly everywhere by weak political leadership and public apathy. There are few historical precedents for the continent's combination of ailments, which includes civil war in the former Yugoslavia, German xenophobia and a wave of corruption trials in Italy, Even France, labouring to defend the franc, was recently described by the Washington Post as rarely in a more disgruntled

In the 19th century, Europa could be forgiven for mistaking itself for the world, most of which it either owned or governed. But today it is ludicrous to pretend that the gloom and doom afflicting Europe is a global phenomenon. In much of the rest of the world the economic outlook is promising and the quality of political leadership as high - if not higher - than in recent decades. Outside Europe, many people are eagerly awaiting the 21st century, which they expect to mark a huge improvement on the past 100 war-torn years.

To put Euro-gioom in perpective, consider first the outlook for the US. The economy has been growing steadily for nearly two years following a brief and relatively mild contraction in the winter of 1990-91. Growth at an annual rate of nearly 5 per cent at the end of last year will not be sustained; but most forecasters are confidently predicting several years of growth of at least 3 per cent. The unemployment rate peaked at 7.7 per cent (far below the double-digits feared in Europe), is now 7 per cent and is expected to fall to about 5.5 per cent - effectively "full employment" - by the end of President Bill Clinton's first



MICHAEL PROWSE AMERICA

Unlike the cautious British electorate, Americans had the courage to vote for change last November and are now benefiting from a revival of the leg-endary Yankee "can do" spirit. The Democratic Congress has moved swiftly to endorse the White House's economic plan, meaning that excessive budget deficits will be curbed, albeit slowly. Mr Clinton will shortly unveil his strategy for reforming the nation's flawed healthcare system. This will be followed, probably next year, by proposals to improve the qual-

if the outlook for the US is bright, it is positively dazzling in much of east Asia. The region remains politically immature, but during the 1980s it grew more than twice as fast as either Europe or the US. Most forecasters expect continued dynamism, even allowing for Japan's serious (but surely temporary) difficulties.

ity of US education and worker

"Fuelled by China's eco-nomic boom," argues Merrill Lynch, the Wall Street brokerage, in a recent circular, "Asia-Pacific growth should reach almost 8 per cent in 1993 following 7 per cent last year." East Asia as a whole is now a more important trading partner for the US than Europe which is one reason why the US media typically quotes the dollar in terms of yen rather than D-marks.

Euro-pessimists must also contend with improved economic performance throughout the developing world, which enjoyed economic growth of about 6 per cent last year and may grow nearly as fast this year. The world has not been

in, nor is heading for, a recession, let alone a depression Even in industrialised countries, annual growth has not yet dipped below I per cent and will probably accelerate next year to more than 2 per

Viewed from Washington, the gloom pervading Europe is puzzling. For four decades, the continent was divided by an Iron Curtain and needed the protection of a US military shield. Yet in the mid-1980s when the Kremlin was still building its stockpile of SS20 missiles and Berlin was a lonely outpost in communist east Germany, western Europe was far happier than today. It enjoyed political stability and economic prosperity and scemed prepared to make the modest sacrifices needed to secure the potentially huge benefits of greater economic and monetary integration. The reduced burden of military spending following communism's collapse and the enhanced opportunities for trade with the new democracies of eastern Europe ought to be creating still greater regional prosperity rather than a torrent of mealy-mouthed complaints.

Murmul

ofanxie

46

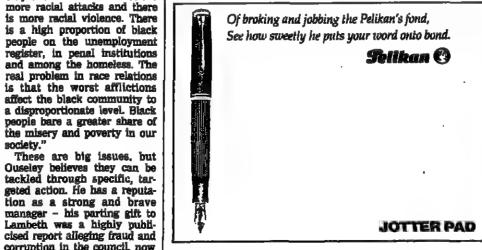
100

Contracting Sections

European politicians pretend that the world is facing intractable economic problems comparable with those of the 1930s. Sky-high unemployment and lakes of budgetary red ink are seen as all but inevitable. The success of east Asia and the US shows that this is hogwash. If Europe is in secular decline, it has only itself to blame; it has simply lost sight of the virtues - thrift, hard work, flexibility

and risk-taking entrepreneurship - that underpinned its startling success in the 19th century.
With hindsight western

Europe perhaps grew too comfortable in the cosy, controlled world created after the second world war, when its destiny was effectively in the hands of the US and the Soviet (Inlon-On its own again for the first time since the inter-war years it is again showing a singular lack of political vision and



CROSSWORD

No.8,113 Set by GRIFFIN

Wreckage of old socialism

reasons for the wreckage of the Socialist party in the French general elections last week. Some say they failed to hold down unemployment some say they betrayed socialism, both in their conservative economic policies, and in their luxuriant corruption; and some blame the party's founder, President François Mitterrand, for all of the above, for overplaying his hand, and for outstaving his welcome. Yet whatever the reasons,

the result of the election is so extreme, that it will have the effect of a political earthquake. The Socialists' colossal defeat may yet mark a paradigm shift in the dialectic of French politics, which in turn could have lessons for other democratic countries in Europe.

One thing the Socialists know for certain: they must start again from the bottom and from the beginning. The party cannot pretend to carry on as before, as if this were a little local difficulty, if it is to recover a significant role in French politics, it will need a new leader, a new message, and quite probably a new

name as well. Choosing a new leader has suddenly become urgent. President Mitterrand is totally identified with the party's rise and fall, and at the age of 76 he is in a poor position to help it recover; in any case, he may not want to try. Recovery can only come from a new leader, and that probably means a choice between Mr Michel Rocard, the party's "virtual" candidate for the presidency, and Mr Jacques Delors, president of the European Commission.



on EUROPE

A new leader will need a new message. In 1983 the Socialists tacitly abandoned most of the paraphernalia of unreconstructed socialism; after the election of 1988 they progressively abandoned the rest; but they have yet to come up with a new programme.

Mr Rocard has moved to grapple with the problem, by his sensational call for the creation of a centre-left movement, reaching from reformed Communists to moderate centrists; but he has yet to define the platform it would have.

There are essentially two reasons why the Socialists had to abandon the crude version of their creed. Old-fashioned class-based politics, the proletariat against the bosses, has long ceased to hold an adequate mirror to today's reality, What with mortgages and foreign travel, the decline of smoke-stack industries and the rise of the service sector, modern society has become more complex and less oppressive. Second, no one believes in crude socialism any more. It was a disaster in the Soviet

empire; it has failed whenever

it has been tried in the west.

Moreover, in 1983 the French

Socialists had to choose

Europe: they discovered to their dismay that they had no choice but Europe. Socialists would claim that there is more to their message

than the ideological excesses of nationalisation and the command economy. They remain committed to a distinctive set of social-moral concerns: protection of the under-privileged: social welfare, health, housing, and education; the rejection of money and individual selfinterest as dominant values. In short, some verson of liberts, égalité, fraternité. The problem is that these

concerns may now be on the wrong side of the historic and geo-strategic wave. The tradi-tional socialist canon focused on the fight against the unfair distribution of wealth; today's urgent need is wealth creation, and today's scourge is again structural unemployment. The socialist canon calls for social protection for the weak, the ill, the retired, the unemployed; today's problem is knowing

how to pay for these things. The first reason for the radical shift in today's priorities, is that the socialists have won the moral argument, at least in most of western Europe: Christian Democrats and Social Democrats both accept the general case for social solidarity; France's conservative parties would not dare suggest dismantling the welfare state. The unsolved problem is that demand for welfare is by its nature unlimited.

The second reason is the development of global markets. In a national economy, the exploited may be able to force a more favourable deal out of the exploiters; that option is ers, The Hague, 1992

between crude socialism and not available if the "exploitation" comes from other, more competitive, economies

Last year, the Dutch Central Planning Bureau* produced a range of forecasts for the next 25 years; one of the scenarios was for a trade crisis, with the world breaking up into three main protectionist blocs. It may not happen; but there is no denying that talk of protectionism is increasingly wide-

If western Europe remains committed to liberal global trade, it will have to improve ter than in the past. This means channelling much larger resources into education and training; the alternative strategy of driving down workers' wages might produce a Third World work-force, but it would still not enable them to compete with an advanced Asian economy.

Education and training will be slow to deliver. Meanwhile, competition will force the European Community to review either the budgetary costs of its welfare programmes, or the costly rigidities of its labour laws, or both. Moreover, welfare costs will rise steeply with the ageing of the population: in 1990 the over-64s represented 21 per cent of the population; by 2020 they will be 31 per cent.

This is not a cheerful prospect. It is especially uncheerful for a political leader who is trying to work out a new political message for the 1990s, and who still wants to think of himself as a Socialist.

* Scanning The Future, Central Planning Bureau, SDU publish-

1 Works after a day and is OK

Vessels in river stretch (7) 11 Ann switched to cutting material (7)
12 Order chief to be earlier (5) 13 One who is there at ten, run-

ning water (8)
15 Break about ten men in anger 16 Ring coppers once someone starts scraps (4) Sweetheart crazy about alco-

holic drink (4)

20 Banned all mixes containing love drug (10) 22 One camping out of habit? (8)
24 Had moved down about a 17

(7)
Wet chaps love to sit around inside (7)

haps (7)
21 Continuous pole on end (7)
23 Are achievements within Learned men put little money

2 Uses fruit with one in (7) 3 Ringo knocked six-footer 4 We left fellow standing and

5 Always loyal, notice missing lady (10) 6 One times union leader carrying in cat (5)
7 Terrible lie Eddy submitted

ran away (4)

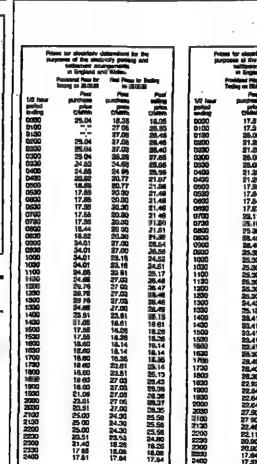
8 Moody relief worker to alter name when wrong (13)

9 Making sense of an informal agreement (13) 14 I'm an individual student concealing a cold (10)

Caution maid on upsetting quarter (5) mum (8)
26 Jack and Mark refuse to vote 19 It stars original painters, per-

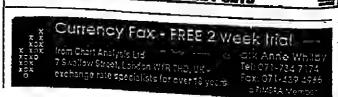
Learned men put little money grasp (5) into his student grants (12) . 25 Frost upset a Moslem chief-

The solution to last Saturday's prize puzzle will be published with names of winners on Saturday April 10.

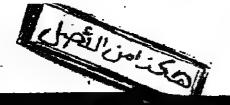


GET THE EDGE: GET DIRECTUS Futures Pager brings you highlights of directors' share transactions in their own companies, plus 2 minute updates on indices, Putures and Interest Rates 24 hours a day. Call 071-895 9400 now for your free trial.

FUTURES PAGER BERRELEY RUTURES LIBITYS IS FARK ROAD, REGENTS PARK. LONDON, NWI 6XN, ENGLAND TEL: 071-224 8489 FAX: 071-224 8275



مندس المهل





rch 29 1993

a

s heading for, a reast slone a depression industrialised one must growth has an ed below 1 per co-probably accelerate to more than 2 per if from wear.

i from Washington a pervading Europe For four decades to was divided by a most a US military to the mid-less t

to the mid-land to the first stockpile of the stockpile o

c prosperity of

ad riffices needed

he potentially in

of greater economics of the greater economics

paratal of again

following com

th the new democ

istern Europe ought

sting still grap

prosperity rather to

it of mealy month

un politicians pre-

World is facing min

monue problems o

with those of the

ur.employment

buoxetary red ink

all hut inevitable to

f erest Asia and bet

out this is hogean!

s in secular decline

iteel to blame # h

hard work leak

at sight of the rate

Taking entrepress

that underpined a

9200-85 In the &

anadeight sein

SOLDWICK MASK 100 CF

in the cosy, costs

ested after the 🚾

Att. Atten 19 🖦

the election of the banks

and the Sover

William Programme to the St.

of the interest w

10) Michael A Sec.

political vision:

opportunities |

collapse and

6

FINANCIAL TIMES SURVEY

INGAPORE

Monday March 29 1993



SECTION III

Singapore continues to dazzle the world with its rapid economic growth and its prosperous and stable society. But there are signs of strain as it faces ever keener competition with its equally dynamic southeast Asian

Murmurings of anxiety

neighbours. Andrew Gowers reports

"A COUNTRY is like one big see what the fuss is about. corporation. Its grass national product is equivalent to a compony's revenue and its population its employees. A national economy competes with other national economies for market shares in the world. If it fails to compete, its population or employees will not be paid well. If it is competitive, its standard of living will rise." (Prime Minister Goh Chok Tong, October

It may not be immediately obvious from the sleek facade of Singapore Inc. But among senior managers of the world's most successful corporate state, there are unmistakeable, and quite deliberate, rumblings of unease about the future

these days.
Mr Lee Kuan Yew, founder and now non-executive chairman, complains of a lack of enterprise among his employses and compares the "corporation" uniavourably with its buccaneering rival to the north, Hong Kong. Mr Goh. Chok Tong, his successor as chief executive, worries aloud about Singapore's position to the accelerating race for trade and investment in Asia and frets that the workforce may be going soft or getting greedy. On cue, a chorus of middle managers takes up the call for a reorientation of corporate strategy, another efficiency drive, a fresh push into over-

At first glance it is hard to upgrade the economy to a

Singapore remains, by any standard, a phenomenal case study in economic achievement. After nearly three decades of almost uninterrupted rapid expansion, its gross domestic product continues to grow at annual rates around 6 per cent, without significant inflation. On a per capita basis, it is richer than any of the other Asian "dragons" and has already overtaken sev-

it boasts full employment, remarkable political stability, an incorrupt and efficient pub lic administration, and the highest home ownership and national savings rates in the world. Foreign investment continues to pour in, to the extent that an island state of 3.1m people hosts one foreign company per 1,000 inhabitants. And Singaporeans enjoy a quality of urban life without

parallel in the region. Yet if the message from the top is to be believed, now is no time for resting on laurels. The constantly reiterated theme of ministerial and prime ministerial speeches over the past year is that the challenges of the next decade will be as suff as anything Singapore; has faced since it was thrust out of the Malaysian Federation and into sovereign independence in 1965. The task is not only to stay several jumps shead of competitors within Asia but to

eral countries in Europe.



place among the developed nations. We are like someone being chased by tigers with a cliff in front," said Mr Goh in a speech to trade unionists last October. The tigers are closing in fast but the citif is difficult to scale. The tigers are the dynamic economies like Thailand, Malaysia, Indonesia and China. Singapore is still attracting The cliff is the formidable challenge posed by the developed

The prime minister's colourful warnings are exaggerated for effect. He and Mr Lee, who as Senior Minister is still considered by many as the ulti-mate authority despite having relinquished the premiership in late 1990, like to give the impression of being engaged in a constant struggle to maintain the values which helped propel Singapore out of poverty in a generation - its legendary

political discipline and the qui-escence of the workforce in oint where it can claim a pursuit of general prosperity. Yet implausible as their scare stories may sound, there are legitimate reasons for at least mild concern over Singapore's medium term prospects. In the first place, the battle to stay commercially competitive is becoming fiercer all the

> foreign investment at an envi-able pace — manufacturing investment in fixed assets reached a record \$\$3.45bn last year, 21 per cent up on the 1991 figure. But it has to work at it against formidable constraints. With less than 3 per cent unemployment and the population more or less static, there is a chronic labour shortage, and for political reasons Singapore does not want to import

any more immigrant labour

than it has to. One result is

that wages have been outpac-ing productivity growth in recent years, in the process eroding Singapore's competitive edge. "We've got to worry all the time," says Mr Gob. "If we lose our competitive edge, I think the whole house may collapse. To give an example, if we are not competitive, say, with China, we'll find that China will suck in our investments very quickly...a hollowing out of the economy may take place...This amilety element is something we've got to

24

has taken to issuing stern

warnings that Singapore is in

danger of failing to capitalise

on this rapid growth, Singapo-

reans, he complains, are a

staid and timid lot who prefer

to stay at home and work as

middle managers rather than venturing abroad in search of

business opportunities. It is

time for them to develop an

regional" and build an external

dimension to the country's economy in the way that South

Korea, Hong Kong and Taiwan

There are delicious ironies in

Mr Lee's new campaign, since

the conservatism and unima-

entrepreurial spirit,

have done.

UK & UNION (Privations private Gloid)

The second broad area of concern is Singapore's place among the dynamic economies of Asia as a whole. From main-land China in the north and India in the west to worth-our Asian countries next door, markets with vast potential are opening up to outside inves-

since the government controls the main levers of economic power, and since they have for years heard disapproving lectures from their leaders about the corruption and maladministration of other Asian countries, it is scarcely surprising that they show little initiative in doing business abroad.

Fear of failure - kiasu in the Hokkien Chinese dialect remains a powerful feature of Singaporean society, reflected in everything from the ultracautious way it regulates its financial centre to bankruptcy laws of a severity unparalleled anywhere in the industrial world. Those Singaporeans who have broken out into the wider region often did so in spite of the system rather than because of it, and many of them show little inclination to return home. Nevertheless, it is significant that the nation's patriarch has seen fit to air this issue now.

Mr Lee's speeches betray an awareness that to stay abreast of breakneck development in the region at large, Singapore itself will have to change.

Unwittingly perhaps, Mr Lee's concarns about Singapore's need to spread its wings abroad also underline what is the biggest domestic political challenge facing the ruling People's Action Party over the next few years: how to keep fulfilling the ever-rising expectations of Singaporeans them-

Singapore may be to all intents a one-party state, but without doubt the PAP owes its unbroken 34 years in government principally to the prosperity it has engendered, and to its success in giving Singaporeans a stake in their own society.

As one foreign diplomat put it: "The PAP knows that whatever grip it now exercises on the state machinery its political dominance stands or falls on its record of creating and distributing wealth." And here, the omens have

ginativeness he attributes to his subjects spring in no small not been universally favourable for the government of late. measure from the tightly controlled society that he has cre-Mr Goh is still smarting from ated. Since Singaporeans are the blow the PAP received in schooled from birth in Confu-cian virtues of obedience, discithe elections of August 1991, when its share of the vote fell But Mr Lee, in particular, pline and collective endeavour, to 61 per cent - a setback only

IN THIS SURVEY Investment paradise: the swirl of change that sucks in the cash; profile -

SGS-Thomson, electronics

heavyweight ... Economic outlook: the next challenge is to invest in the fast growing Asian region; profile of finance minister Dr Richard Hu PAGE 3

Finance centre with a reputation for incorruptibility; world's top port where a ship docks every four minutes; patrochemicals confounds

the pessimistsPAGE 4 Sharmore businessman are exhorted to looking

outward. Profile: Singapor Technologies Industrial Corp. Politics: Premier Goh Chok

Tong fights to emerge from the studiour of Lee Kunn Yew. Profile: role of the Singapore International FoundationPAGE 6

Currencies in this survey are denoted as S\$, for Singapore dollars, or \$ for US dollars

partly redeemed by the PAP's 72 per cent score in a by-election late last year.

Although the ruling party still enjoys support that gov-ernments in the west can only dream of, there can be no disguising the decline in its share of the vote through the last four general elections. Next time, or the time after that, the PAP may have to reckon with considerably larger presence of the opposition parties in par-

This would scarcely be a disaster. But it does imply a period of adjustment for an elite unaccustomed to challenges to its rule. And that process will not be rendered any easier by the doubts that have unexpectedly arisen in recent months surrounding the succession to Lee Kuan Yew. Late last year, it was amounced that both Mr Lee's

☐ Continued on Page 2







Down to the smallest detail, one GLOBAL CITY boosts your competitive edge with an unequalied COOCHELITIATION of business infrastructure. With IT and telecommunications more sophisticated than most. Skilled manpower NETWORKED at every level. A multi-faceted support base for high value-added manufacturing and world-class services. And creating STRATEGIC alliances that generate opportunities in Asia-Pacific and beyond. Without a doubt, this TOTAL business environment SINGAPORE UNLIMITED.

SINGAPORE 2

AS RECENTLY as 1980, there was no such thing as a Singaporean computer components industry. Today the island republic is the world's largest manufacturer of computer disk drives, accounting for more than half of world production, and a big supplier of a wide

range of other computer

peripherals, semiconductors

and electronics equipment. In the early 1970s, the textile industry accounted for some 17 per cent of manufacturing employment in Singapore, Now the figure is well below 10 per cent, and declining.

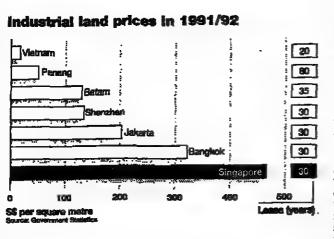
These are two examples of the extraordinary swirl of change that continues to invigorate the Singaporean economy. They help to illustrate how a country with no natural resources, a miniscule land area and a static indigenous workforce has managed to carve out its position as a leading competitive player in a number of international industries, from consumer electronics to oil refining and petro-

The Austrian economist Joseph Schumpeter would have recognised what is happening. Writing in the first half of this century, he called it 'creative destruction" - the process of unremitting innovation and renewal in an economy affected by the free play of market forces. In Singapore's case, the market is the world, and it has exposed itself to - and benefitted from - the full force of international competition by maintaining a stance towards foreign investment as open and unrestrictive as you will find anywhere. Some 3,000 multinationals have operations of some kind on the island, more than 750 of them in manufacturing.

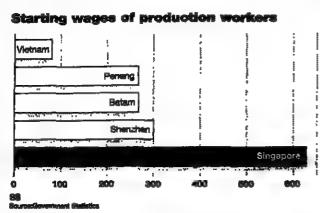
Foreign investors are as much as ever the motor of Singapore's development, Initially attracted by its low-wage workforce and by heavy public investment in an ultramodern infrastructure - for two decades investment has represented 35 to 40 per cent of annual gross domestic product, higher than in any other industrialised or industrialising country including Japan they are constantly encouraged by government to spend on upgrading their plants with the latest technologies. The aim is to create a virtuous circle in which higher labour productivity earns higher wages, and low-wage, labour-intensive businesses either die or move

Andrew Gowers describes the business ethic that sucks in the cash

Investors' paradise



Unit business cost of manufacturing



Singapore is uniquely unsentimental about preserving industries which have lost their competitive edge: the timber business, for example, once a local mainstay, is now virtually extinct, while textile manufacturing on the island has moved inexorably to the highvalue end of the market while spinning off low-cost operations to Malaysia and Their place has been taken by productive, technology-driven industries such as consumer electronics, telecommunica-tions equipment and precision

The last 20 years provide countless examples of this shift as always, under the guiding hand of government bodies such as the Economic Development Board. Having estab-

and bunkering centre, Singa-pore moved into bulk petrochemicals and is now assiduously developing higher-value products such as speciality chemicals and pharmaceuti-

The trick consists not just in

attracting new investors: more importantly, it involves encouraging heavy investment by those already installed, so that technology companies such as Texas Instruments that came to Singapore in the early days have repeatedly upgraded their locally-manufactured product mix. And the search goes on: Singapore has remained especially alert to global changes in the consumer electronics industry. It is now positioning itself as an important production base for digital compact cassette players and notebook computers.

Mr Philip Yeo, the hyperactive EDB chairman and Singapore's industrial czar, reckons that of every fresh investment dollar that comes to the island. two thirds represents spending The increasing quality of those investments is evident from the pattern last year. Manufacturing investment commitments reached a record S\$3.5 bo, 21 per cent up on 1991, and the prospective yield on those projects, in terms of gross valne-added per worker, rose to \$\$240,175 - more than three times the existing average in the manufacturing sector.
This constant drive for

higher value-added makes sense given Singapore's severe physical and demographic constraints. It is also getting more urgent all the time in view of the intensifying competition for investment among low-wage Asian economies, which are themselves gradually foilowing Singapore "up the ralue chain"

To understand why, compare labour and land costs in Singapore with those elsewhere in the region. The starting wage for a production worker in Singapore is S\$630 a month; in Penang, Malaysia, it is \$\$264; and in Vietnam it is \$\$30. In Singapore, a square metre of industrial land costs 10 times what it does in Penang and 30 times what it does in Vietnam.

land or on the size of its domestic market. Singapore has quite deliberately priced itself out of the business of low-cost manufacturing; partly for political reasons, the government will not prop up lahour-intensive industries by allowing companies to import more foreign workers. Instead, it has been forced to develop alternative attractions to retain the loyalty of its multinational partners.

As Mr Goh Chok Tong, the prime minister, put it last year in terms that might be a corporate mission statement: "We must be compètitive in combining the whole range of factors and produce a package that is better than what our competitors can offer. This requires hardworking and highly ment and government, a politi-cally secure environment, good physical and social infrastruc-

alert to changes in technology, investment and market trends. It means constant restructuring of our economy to have a mix of industries in which we are competitive."

What this means in practice was mapped out in a strategic plan produced by a committee of business and labour leaders, ernment officials and academics in October 1991. It recommended a series of measures aimed at improving the skills of the workforce, at encouraging companies to automate and shift labour-in-



tensive activities offshore, and at getting multinationals to think of Singapore as a managerial and service hub for South-east Asia rather than just a production base.

Specific moves in train include:

Research and developme In co-operation with the multinationals, Singapore is now engaged in a big effort to boost R & D activities on the island.

It has established a National Science and Technology Board to oversee a proliferation of research institutes in a wide variety of disciplines from microelectronics to biotechnology and, by providing financial incentives, to double R & D spending to 2 per cent of gdp by 1995. In the same period, it wants to raise the proportion of scientists and engineers in the workforce to 46 per 10,000 workers from the present 28. That compares with R & D spending of 3 per cent of gdp in Japan and 1.8 per cent in South

· Recruitment and training. The EDB is mounting a targeted recruitment drive overseas with a view to bringing engineers, computer scientists and other skilled manpower to Singapore from Europe, North America, Russia and other Asian countries including India. The aim is twofold: to pre-empt a looming skills shortage in the region as a whole, and to compensate for the fact that the government finds it difficult to lure Singaporeans into factory jobs as opposed to what they perceive as the more glamorous sarvices sector. "We have to make a more concerted effort to recruit people now because the other countries in the region are growing," says Mr Suppiah Dhanabalan, trade and indus-

in addition, Singapore is pitching to become a regional

try minister

training centre for multinationals in Asia. The US communications giant Motorola for example, recently sent a team to train on the island from the plant it has established in China. The commercial spinoff for Singapore is obvious. "That way, I can sell more components," says Mr

• Regional investment. Singapore's attempt to push multinationals' low-cost, lower-skill operations offshore is now accelerating. Its main focus is the so-called "Growth Triangle", an unusual initiative to foster economic integration between Singapore, the southern Malaysian state of Johor and Indonesia's nearby Riau islands.

The EDB actively encourage investment in Johor, and Singapore is collaborating with Indonesia's Salim group to build industrial parks on Batam and Bintan, two islands in the Riau group. Attracted by the prospect of working with Singaporean expertise and efficiency and Indonesian wages. more than 30 companies have taken space on Batam, and exports from the plants already operational are growing fast.

Here, too, the gains for Singapore far outweigh any concern about lost investment, for companies establishing operations in Johor or Batam generally do so in order to perform more sophisticated tasks in Singapore.

There cannot be many examples of an industrialising country actively encouraging foreign investors to go elsewhere. The fact that Singapore does is a measure of its confidence both in the increasing sophistication of its economy and in the enticing prospects for growth in the wider region.

■ Electronics profile: SGS-Thomson

On the crest of a wave

SINGAPORE is continually worried about losing its competitive edge. Nowhere is this more keenly felt than in electronics, which accounts for almost 40 per cent of total manufacturing output and more than 40 per cent of domestic exports.

Concern focuses on rising wage levels and insufficient growth in productivity. But Mr Milivoj von Somogy, head of Asia Pacific operations for the European electronics giant SGS-Thernson disagrees

"In Singapore we can work 365 days per year. That's not possible in Europe. It's not only costs – it's the quality of labour we have here as well. total labour costs here are between \$4 and \$6 per hour that's not so bad for the type of high tech work we are doing.

SGS-Thomson started low cost assembly operations in Singapore in 1969. In 1982 it built lis first wafer fabrication plant and now produces about 100m pieces per month of various computer chips from its Singapore operations.

Though core technology development is still carried out in Europe, SGS-Thomson's Singapore operations now employ 1,500 to produce increasingly sophisticated so called "front end" products. Another 3,200 are employed in "back end" operations in nearby Malaysi

"Initially low labour costs brought us to this part of the world," says Mr Somogy. "Now we can source the bulk of our materials here, there is the expertise available and most importantly sales in this region are growing so fast it's a prob-

Other electronics businesses tell a similar story. Companies that in the 1960s were assem-bling black and white TV sets have evolved to design and range of final products, sub-assemblies, components and parts for both industrial and consumer electronics indus-

More than 250 electronics companies in Singapore produced an estimated S\$31bn worth of goods last year, a 6 per cent rise over the 1991 figure. Products cover almost the entire electronics sector, from consumer goods to disk drives, semiconductors and printed circuit boards.

Singapore now accounts for about 50 per cent of total world output of computer disk drives. with about 18m unit drives valued at S\$8bn produced last year. This represents an increase of 28 per cent in volume terms over the 1991 figure. After an industry shakeout

in 1991 and a dip in trade in the first half of 1992 overall industry growth surged by 13.9 per cent in the third quarter of the year, a trend which was continued through the end of Strong growth is expected to

continue through 1993, with an expected upturn in the US Singapore's biggest export market, absorbing more than 40 per cent of total industry

has become more regionalised. Singapore has developed into the main electronics re-export centre in south-east Asia. Reexports now account for about 25 per cent of Singapore's total tronics exports.

The electronics industry faces various challenges. Neighbouring countries - par ticularly Malaysia and Thailand - have successfully develaped their own electronics industries and threaten Singapore's export competitiveness particularly in consumer electronics. Singapore has continuously sought to upgrade its activities

New electronics centres such as Penang in Malaysia are already tempting some compa-nies to move certain operations out of Singapore. Some

employers complain of an increasing incidence of "job Thomson realise that more hopping" among electronics workers. There is also concern about government restrictions on importing labour and the costs incurred by a special foreign workers levy imposed by

Electronics is still a sector overwhelmingly dominated by the multinationals. But more efforts are being made to integrate local concerns into the production process. The government recently set up an Institute of Microelectronics to assist the local electronics industry in spearheading research and development and to train skilled R & D person-

the authorities.

Despite some problems investor confidence in Singapore's electronics industry continues to be maintained. Investment commitments in the industry in 1992 reached cent of total investment com-

investments and an ever stronger presence in the region are vital to take advantage of opportunities in the Asia-Pacific, the world's fastest growing market. "In terms of sales of our semiconductor market in the Asia Pacific has caught up with Europe," says Mr Somogy. "In the Singapore/Malaysia area our sales now exceed those of either France or Britain and are the same as those of Germany. China is opening up and presents a tremendous market. I don't see much change in the growth trend in this region for the

Companies such as SGS-

"We had 33 per cent growth in the Asia Pacific last year and expect a minimum of the same growth again. It's no longer a question of orders. Instead it's a question of whether we can supply fast

Klaran Cooks

FINANCIAL TIMES ASIAN ELECTRICITY Singapore, 25 & 26 May

This topical conference, arranged in association with Power in Asia, will discuss the latest policy positions on privatisation in Asia; consider the financing and structuring of power projects and review future fuel choices in the region.

For further information please return this advertisment, together with your business card

Financial Times Conference Organisation 102 - 108 Clerkenwell Road, London EC1M 5SA Tel: 071-814 9770 Fax: 071-873 3969

A country run like a big corporation

Continued from Page 1

eldest son, Lee Hsieng Loon, and Mr Ong Teng Cheong, both deputy prime ministers, were being treated for cancer. The news shocked Singaporeans since it had been widely presumed that the former, a tough but not especially popular chip off the old block known everywhere as "BG Lee" in deference to his military rank, was being groomed as Singapore's prime

minister in the not too distant The government insists "BG" Lee is responding well to treatment and will be back at his desk soon. But if the illness were to

remove him permanently from the scene, the reins of power would continue to be held by a group of men without an obviously charismatic leader. This is not an immediate

70 but in apparently robust health, looks like being around for a good while longer. Mr Goh is an able administrator and is setting about trying to develop a more collegial - if not much more consultative style of government.

grows richer and better educated, as the generation that experienced the traumar of independence fades from the disparities widen, Singapore is becoming a more complex place to govern. The fundamental questions

are whether a society so regimented as Singapore's still is will develop the capacity both to nurture the creativity of its best and brightest and to channel the frustrations of the less privileged - and whether it will continue to adapt and prosper in a way that outlasts the man who founded and

Have your **Financial Times**

HAND DELIVERED

In Singapore

Call: MPH Distributors (s) Ltd MPH House 12 Tagore Drive Singapore 2678 Tel: 4538200 Fax: 4570314

FINANCIAL TIMES

Telecommunication professionals find Singapore engaging. See what holds your attention.

The Asia Telecom Show '93 won't be the only successful convention that showcases Singapore as Asia's leading meeting destination. Each month there are new exhibitions, new conferences and new meetings where you can exchange the latest on your industry or products. Not to mention a whole new world of entertainment in the city where the best of the East and West come together. Convention City Singapore. Your direct line to the world.

CONVENTIONS 1993 ☐ 4-8 May 1993 Ceotechnical Conference

Asia Felecom '93 ☐ June 1993 3rd International Conference on Offshore and Polar Engineering

☐ 17-22 May 1993

14-15 July 1993 (CSF '93 4th International Conference on Structural Failure, Durability and Retrofitting

19-23 July 1993 CASE 93 6th International Workshop on Computer-Aided Software Engineering



☐ 17-20 August 1993 International Conference on Neural Network Applications to Signal Processing .

22-27 August 1993 7th International Symposium on Limb Salvage (ISOLS)

☐ 26-29 August 1993 International Orchid Show

Singapore □ 47 October 1993 ChemAsia '93

(*AIF) 7-10 October 1993 3rd Congress of the Asia Pacific Society of Respirology

□ 27-29 October 1993 International Symposium on Electricity Distribution and Energy Management (ISEDEM 93)

(APSR)

31 October -4 November 1993 4th ASEAN Congress of Rheumatology

EXHIBITIONS 1993 ☐ 17-22 May 1993

Asia Telecom '93 □ 7-10 July 1993 OFFICE - 1093 (Office Manage Technology and Systems)

☐ 7-10 July 1993 APCIC'93 (Automatic Processors. Computers and Instrumentation in Construction '93 Exhibition)

☐ 17-25 July 1993

Asia Pacific Furniture Fair 93

e tracemention about the ventions of Exhibitions indicated

problem. Mr Lee himself, now

Behind the vibrant economic successes, frayed nerves are sometimes apparent, says Andrew Gowers

ARCH 29 1993

Malaysian state

B actively encourage
it in Johor, and ser
collaborating win
a's Salim group to
idustrial parks and
Bintan, two ides

d Bintan, two islands at group. Attracted a

ect of working we see to feel of working we see to working we see to Indonesian week in 30 companies has see on Batan and the plants about the

om the plants about all are growing fast oo, the gains for 50 r outweigh any ou. It lost investment

it lost investment is

re sophisticated 🙀

cannot be many en

ely encouraging is

tha: Singapore dos

ire of its confiden he uncreasing some f its economy and

icing prospects

antes such as 🕱

n realise that 🖿

ints and an era 🕿

ence in the resing

take advantes:

nities in the Adak

e world's faster as

het. "In terms de

semiconductor 🚾

usta Pacific has on

Europe," says let

the Singaporell

our sales now e

of either France

and are the sm f Germany, Chr. market. I dot: hange in the px

Asia Pecific les P owth again lists question of me it's a questus we can supply it

ICITY

6 May

ed in association

the latest policy iu: consider de

Aer projects and

n the region.

se return this

ur business can

Organisation .

ore

rs (s) Ltd

 57031^4

ndon ECIM 584

n the wider region

ies

ore.

establiship

s in Johor or Bate do so in order to pe

d indonesia's leady

took away notebooks and computer files, and subsequently the paper's editor, Mr Patrick Daniel, was among four people charged under Singapore's offi-cial secrets act. His "crime": publishing a leaked preliminary estimate of the country's second quarter gross domestic product which showed annual growth to be lower than expected at 4.6 to 4.8 per cent.

With the trial of those accused still continuing, the precise explanation for this uniquely Singaporean story remains obscure. But the affair has taken its place in the pub-lic consciousness as a vivid reminder of the concern in the island state last summer over

the economy.

Crowth was failing after the blow to confidence delivered by the Gulf war in 1990-91, the US economy which is the principal market for Singapore's exports was anaemic, the world consumer electronics industry on which a large chunk of Singaporean manufacturing depends was in a serious recession, and Singapore's attractiveness as a manufacturing location looked threatened by a sharp rise in unit labour costs.

To the government it all had am ominous ring: the last time there had been such a combination was in 1985, when Sing- ating: the government has just

Richard Huz managing his ministry like a glant corporation's finances

Business Times newspaper received an unwelcome visit

Sprinter at the front of the pack apore experienced a serious recession - its only one since independence and an event seared into the minds of all

الحك المحالة

As it turns out, the fears were massively overdone. Growth has continued at a rate that the industrial countries can only envy, manufacturing output has recovered after a drop in the first quarter, exports are surging, the finan-cial services sector has bounced back, the rise in labour and business costs has moderated, and foreign invest

ment is still pouring in. The government now reckons that the economy bottomed out in the third quarter of last year, and grew by 5.8 per cent for the year as a

Manufacturing exports are again surging after a dip in the first quarter

whole - admittedly a slower rate than Singapore has been used to over the past two decades but healthy even by comparison with the other newly industrialising economies such as Hong Kong (5 per cent) and South Korea (4.9 per cent). And the pace is acceler-



revised upwards its estimate for this year's gdp to show expansion of 6 to 7 per cent. In all seriousness, government ministers call it Singapore's

The country's success in steering through the threat of a sharp slowdown and putting itself back on the path of more rapid expansion results from a mixture of luck and judgment. In the first place, the con-traction in 1991 and the first half of 1992 would have been much worse but for deft deployment of government funds to fuel a domestic construction boom. The construction sector grew by 18 per cent last year, aided by a burst of

hospitals, schools and housing. Singapore remains in the fortunate position of enjoying a substantial budget surplus, which enables the government to turn the spending taps on or

the south-east Asian neighbourhood also helped carry the the first half of 1992, enabling it to capitalise on its traditional role as a transport and communications hub. But the main motors for its subsequent acceleration were twofold: · The unexpectedly strong

Externally, strong growth in

recovery in America: non-oil exports to the US increased by public spending on infrastructhe second half. Although minture such as roads, the port, isters do not expect perfor-

Real GDP growth

bleeding from a savage price

war in personal computers,

Singapore is benefiting from a

resulting surge in demand for

disk drives, integrated circuits and computer peripherals. And with new consumer electronics

products beginning to pour

back on to the market, it is

poised to win a healthy slice of

Nevertheless, the worries

being expressed last year have

not vanished. The government

frets constantly about main-

the contest for foreign invest-

ment, about the dangers of overheating in the labour and

property markets, and about

achieving a sustainable, as

opposed to helter-skelter, rate

taining Singapore's position in

mance to be sustained at quite that level in 1998, the US economy should be strong enough to offset weakness in Singapore's European and Japanese

Electronics exports, As

maker of around half the world's computer disk drives and of components for a wide range of consumer electronics products, Singapore is uniquely exposed to the inter-national fortunes of these industries. Slowdown in the markets of the industrialised world and the apparent saturation of demand for certain consumer electronics goods spread gloom in the first few months

Today, whereas computer manufacturers everywhere are of growth. It still has some rea-

sons for concern. The most obvious is the unit cost of labour. Just a year ago, it looked as if a damaging gap was opening up between rapidly rising wages and much slower improvements in pro-ductivity: nominal wages rose by 9.2 per cent in 1991, produc-tivity by a miserable 1.5 per cent. In the first quarter of last year, productivity actually fell

by 0.9 per cent. The picture has improved considerably since then: last year, wages grew by 7.5 per cent and productivity by an average of 3.1 per cent as manufacturing output recovered. Nevertheless, with unem-ployment below 3 per cent of

Lack of space, people and resources are the

main constraints

the workforce, there is pre-cious little slack in the econ-

omy. Moreover, with the service sector playing an increasingly important role, it is coming more difficult all the time to keep productivity ris-ing in line with wages. As Dr Richard Hu, finance

minister, put it in his budget speech last month; "Efforts to improve productivity and

restructure the domestic economy to squeeze more out of each unit of resource will face diminishing returns, as we are already starting from a rela-tively high base."

The government is working hard to keep business costs under control. In the budget, for example, Dr Hu ann a cut in corporate tax next year from 30 to 27 per cent, to be offset by the introduction of a 3 per cent goods and services tax (GST), and proclaimed the government's intention to get corporate taxes down to 25 per cent in due course.

But ministers are well aware that Singapore's constraints of space, manpower and resources will for the foreseeable future impose a natural limit on the rate at which they an afford to let the economy grow. "Our population is not growing, but if we can sustain productivity growth of 3-4 per cent we should be able to sustain 5-6 per cent economic growth," says Mr Supplah Dhanabalan, trade and indus-try minister. "Anything more would lead to overheating."

The real answer to such problems in the long term enunciated every time a minister opens his mouth in public se days - lies not in further boosting the domestic economy but in capitalising on opportunities in the wider region. The challenge Singapore faces is to equip itself for a major investment drive into the rapidly growing economies around it in Asia, and in this task it has only just begun.

Dr Richard Hu, finance minister, is a rarity among politicans, says Kieran Cooke

Technocrat from the private sector

impression of being that rarest

Though an MP since 1984, Dr Hu is first and foremost a technocrat, groomed in the private sector and eventually parachuted into high office. That was 10 years ago. "One thing with politics is the loss of personal freedom ... I've been so long out of the private sector I can hardly remember what it was like."

Dr Hu, 66, gained his Ph.D. in chemical engineering from Birmingham University and went on to lecture in England. before returning to Singapore

years he was with Shell, rising their operations first in Malaysia and then in Singapore.

Dr Hu's position would be envied by many of his col-leagues round the world. Since the mid 1980s Singapore has been running budget surpluses. With foreign exchange reserves officially put at US\$40bn Singapore's fiscal position does not cause the finance minister too many deepless nights. Furthermore the nature of

Singapore government – with its emphasis on a unified, corporate approach - allows Dr

Hu to manage his ministry in very much the same way as he would the finances of a giant corporation. "The political part of this job is much less intense than it would be in the UK or elsewhere," says Dr Hu. Nonathaless Dr Hu shares

the views of Singapore's top leadership when it comes to key policy issues. New tax bures were recently introduced, with corporate and per-sonal taxes lowered. The central aim of the changes is to keep Singapore competitive.

"The competition for investment is going to be even greater in future. Hitherto closed economies are opening

extraordinary how Malaysia has grown its industrial sector ing its head everywhere, there's a great shortage of capital. Making our investment climate more attractive is cru-

Dr Hu went to China in 1985 and returned again recently.

"The charge is amazing. The

'Closed economies are opening up and competition for investment will be greater than ever

Dr Hu is keenly aware of the changes taking place in the region, with Singapore's neighbours already nibbling away at the island republic's export markets. "We now consider Malaysia as one of our major competitors. It's

money is trickling down and consumer demand is shooting up. The same thing will happen in Vietnam."

Dr Hu feels there is a good chance of an economic upturn in the US – still Singapore's main export market. He feels

Japan has a great capacity for recovery - if it can solve its political problems. But monetary developments in Europe are viewed with dismay. "One of the unfortunate by

products of liberalising financial systems is that the door is opened to speculators. As we've seen, they can knock central bunks down. Modern communications aids the process. It's so easy to do now. are refuctant to free the Singa pore dollar."

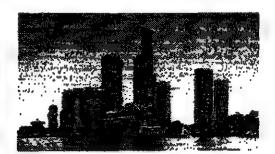
Singapore has one of the highest per capita savings rates. Dr Hu defends what is fiscal regime but liberalisation of savings is now being inves-

"As long as you preserve financial independence half your problems are solved ... if you borrow too much you lose sovereignty."

FOR MORE THAN A CENTURY WE'VE ENJOYED A PROMINENT POSITION IN SINGAPORE.



The Hongkong and Shanghai Banking Corporation Limited is a Member of IMRO. The rules and regulations made under the Financial Services Act 1986 for



Over 115 years of local experience has helped make HongkongBank one of Singapore's major financial institutions.

HongkongBank in Singapore offers you a full range of banking services, including trade finance, treasury, securities, investment banking, private banking and Hexagon, our global electronic financial services system.

As the principal member of the HSBC Group. HongkongBank offers the support of the Group's network of 3,000 offices worldwide, including over 600 in Asia. So, wherever you are, our knowledge of this dynamic region can work for you.

To find out more, contact our Singapore Main Office at 21 Collyer Quay #19-00, HongkongBank Building, Singapore 0104, Tel: 5305000; our London Office at 99 Bishopsgate, London EC2P. 2LA, Tel: (071) 638 2366; or your nearest HongkongBank office.

And find out why we're recognized worldwide.



Fast decisions. Worldwide.

SINGAPORE 4

FOR foreign bankers, brokers or fund managers, life in Singapore can be frustrating.

They see the local economy continuing to grow at a cracking pace, and grumble about the relative lack of opportuni-

ties to invest in it. They covet the huge pool of with its world-class infrastrucofficial reserves and other ture and telecommunications, funds under the government's control, knowing that there is little chance for outsiders to profit from helping to manage them, and envy Singapore's own cash-rich but highly conservative banks. And they chafe under the rule of the country's monetary authority. whose regulatory regime must outrank in severity that in any other of the world's money

are following.

island as their Asia headquar-

wooing other regional central

banks. Brunei already manages

through Singapore, and the Bank of China is said to be on

the point of establishing a

Singapore as a forex centre,

say MAS officials, is its inter-

national character. Unlike

Tokyo, which is dominated by

dollar-yen trading, business in

Singapore is spread more

evenly between dollar-yen, dol-

lar-D-mark and other trades,

and smaller regional curren-

cies are also playing a growing

role. "We have a much more

diversified market with more

depth and breadth than Tokyo," said one official.

923,4

12.3

"Banks find it convenient to

come here because you can

trade a whole range of curren-

Another increasingly impor-

tant string to Singapore's trad-

ing bow is Simex, the Singa-

pore International Monetary

Exchange, which after years

spent on the margins of the

financial futures business now

claims to be the fastest grow-

ing futures market in the

world. Total turnover roughly

doubled last year to 12m lots as

Simex grabbed an increasing

share of trading in contracts

based on Tokyo's Nikkel stock

index and Euroyen interest

The exchange plans to build

on this success with the immi-

nent launch of a Hong Kong

stock index contract, and by

expanding links with growing

centres such as Taipel, with a

view to becoming Asia's finan-

1,301.5 1,838.8 36.2 41.1

144 W 1185

its sizeable official reserve

ters. They are also discreetly

Some gaze wistfully towards Hong Kong, and moan at Singapore's apparent failure to make the most of opportunities in its own hinterland.

Their gripes are understandable but exaggerated. Finanzplatz Singapore may be a lot less exciting than its freewheeling rival to the north. But with characteristic deliberation and single-mindedness it has carved for itself an important niche in handling the exploding flows of money around the region. Moreover its reputation for boring integrity as opposed to speculative excess means it is in no danger of losing that niche, and may be well-placed to build on it the more so if Hong Kong takes fright with the approach of the handback to China in

As far as the banking sector

The local 13lg 4 (Sm)

% rise on previous period

is concerned, the numbers

speak for themselves, Singa-

pore is currently home or host

to 185 banks, all but 13 of them

foreign. Most are highly profit-

able: according to the Mone-

tary Authority of Singapore

(MAS), total profits for foreign

banks in the country remained

buoyant last year after a 36 per

cent rise in 1990 and 41 per

cent growth, to S\$1.84 bn, in

1991. Local banks' profits were

also continuing to grow at a

steady clip of 12-plus per cent.

At a time when financial insti-

tutions in many parts of the

world are struggling simply to

stay in the black, Singapore

must be doing something right.

the heart of international

banks' operations in the city

state is foreign exchange trad-

ing. Figures from the Bank for

International Settlements show

that Singapore is now the

world's fourth biggest forex

trading centre, with an average

daily trading volume of

US\$74bn last year - still a long

way behind London, New York

and Tokyo but for the first

Signs are that this growth

will continue. More and more

banks are making Singapore,

time ahead of Zurich.

The activity increasingly at

TOTAL AFTER TAX PROFITS OF LOGAL & FOREKOM

BANKS IN SINGAPORE

1989 1990 1991

822.5

7.4

The financial centre has an enviable reputation, says Andrew Gowers

Island of integrity



The particular advantage of has become significantly more profitable. Competition from Japanese banks, in particular, has become less intense as they struggle to comply with BIS capital ratios; as a result, interest margins have

> Similarly healthy profits are being recorded in the domestic credit market: domestic loans and advances rose by 8 pe cent in 1992 as banks cashed in on the local construction boomlet and the general pickup in economic growth towards the end of the year. Singapore-based banks are grabbing an increasing slice of lucrative regional loan syndication business, too, and are major issuers of Asian dollar

It is when you consider the broader picture, however, that Singapore's current limitations as a financial centre begin to become clear. Active currency and futures businesses are use ful tools for a country seeking to maintain and enhance its entrepot status. But they do not quite constitute a capital market with real depth and diversity; nor, given the vast resources at its disposal, do they measure up to Singapore's true potential as a financial

Indeed, there are a number of specific domains in which foreign bankers and brokers argue that Singapore risks being overshadowed by regional rivals in the next few years. The stock market is one. The Singapore Stock Exchange, once the leading market in South-east Asia, has long been dwarfed by its counterparts in Bangkok and Kuala Lumpur - now in competition

with Singapore although some

cial futures capital. listed there. Singapore-based banks are benefiting in part from the dif-Buying shares in an economy growing at 6 per cent or more a year should be an enticficulties being experienced in many other financial centres ing prospect, and did entice seven foreign brokers to take around the world. Although seats on the exchange two the interbank Asian dollar market is scarcely growing at years ago. But the buying present, and has actually opportunities are sparse. With shrunk from its peak in 1990, it much of the economy under Foreign exchange transactions

erama delly volume (USS bri)

the control of the government or of multinational investors. only a narrow range of Singanorean companies is listed. in all but a tiny number of

stocks, trading is thin and illiquid, overall volume is not rising, and price/earnings ratios compare unfavourably with those on offer elsewhere in the region - albeit in markets where the risks are much higher. Brokers complain of onerous tax arrangements, and of cumbersome and intrusive market regulation. As a result, Singapore has had fewer new companies seeking listings than some of its peers, and the market has been slow to

"Five years ago as a foreign investor you had a choice of

Tokyo, Hong Kong and Singa pore/Malaysia." said one broker. "Now there's a lot of choices. Thailand is a much bigger market. You don't have to be here if you don't want to

Some relief may be at hand, however, in the form of longawaited privatisations. Later this year, the government plans to float a stake - probably 25 per cent, with a tranche offered to foreign investors in Singapore Telecom. its highly profitable telephone monopoly. The multi-billion dollar issue, which is expected to be heavily subscribed, will immediately add volume and breadth to the market. It is also being seen as the harbinger of further partial privatisa-

port authority and other utilities. The authorities are also anxious to develop stock options and other derivatives on the exchange, which may further enliven proceedings in due course. Singapore's banks, too, face

tions - notably involving the

a daunting regional challenge. By tradition they are staid, unadventurous institutions. preferring to focus their attention on the domestic market rather than expanding aggressively into the riskier world outside. Their rewards have been strong and reliable profits and a capital base that most international banks can only dream of (most have capital ratios well in excess of the ultra-conservative 12 per cent standard set by the MAS).

The authorities - proud of a record untainted by bank failures or scandals - have long encouraged the banks in their caution, both through their "safety first" approach to regu-lation and through their restrictions on the international use of the Singapore dollar. Now, however, they are exhorting the banks, like other Singaporean companies, to work harder on building a regional presence, which means building overseas branch networks and deposit

It is far from clear that the bosses of the big four banks are equipped, by temperament or experience, for the task although some local bankers and financiers are already dipping a toe in the water by establishing venture capital funds for investment in other Asian countries. Mr Lee Kuan Yew, Singapore's senior minister, has endorsed this trend. saying: "Overseas development funds are an important segment of our capital market which we must develop.

There is one other big impediment to the rapid development of Singapore as a diversified regional capital market and fund management centre: the government's restrictive approach to information, underlined last year by a crackdown on journalists and brokers after the leaking to the Business Times of an official estimate for growth.

The foreign financial community remains bewildered about this affair. But perhaps the authorities - mindful of the dangers of loosening control - are happy with the financial industry just as it is.

The world's largest port

Every 4 minutes a ship comes in

ANYONE sceptical about Singapore's confidence in long-range planning, and in its ability to circumvent its own environmental and demographic limitations, should visit the port, writes ANDREW GOWERS

Occupying a pivotal site at the southern end of the Strait of Malacca, one of the world's busiest shipping channels, it is now larger than any other in terms of on-shore surface area and of the gross registered tonnage of ships that call

With volume still growing at an annual rate of 15-17 per cent, it is surpassed only by perennial rival Hong Kong in volume of container traffic, and that only in the last year as the latter's China trade has soared. Work on a new S\$1.4hn terminal in an island in mid-harbour to expand capacity nearly 50 per cent by 1995 from the current level of around 9m TEUs (twenty equivalent units - the standard container measure) is

well advunced. Sounds like enough to be going on with? Not for Singapore. The Port of Singapore Authority (PSA) is already working on a plan to build almost three times as much capacity again in four phases by the year 2030: a new 36m-TEU container mega-terminal to be constructed mainly on reclaimed land next to the existing port complex. It would be foolish to question its determination to proceed on schedule, with the first few berths ready just as Hong Kong reverts to Chinese rule

In any other part of the world, this might sound like tinpot gigantomania. After all, many of Singapore's neighbours are engaged in their own elaborate and expensive port building or upgrading schemes. Surely there cannot be room for all of them and for another three Singapores

PSA and government officials beg to differ. Experience has shown, says Mr Lee Chee Yeng, the authority's director of operations, that Singapore stands to benefit from increasing business elsewhere in the region, that it can maintain and improve its service as a hub which other ports will feed with cargo, "It's not a zero sum game," he adds. This is already a well-estab-

lished pattern for Singapore,

destination for huge numbers of feeder services from Thailand, Malaysia, Indonesia and as far afield as Sri Lanka and southern India. As international container ships have grown ever vaster - from perhaps 1,000 TEUs two decades ago to 6,000 TEUs today - the need for efficient hub ports that can swiftly transfer containers from one vessel to another has grown

"Ships are getting very big now and very expensive," says Mr Lee, "They want to go to a few big ports and get out quickly. Big ports offer a wider choice of lines and prices are more competitive."

The volumes of traffic are staggering. A ship arrives in Singapore on average every four minutes - about 80,000 a year. On any given day, around 60,000 20-foot or 40foot containers are parked on the concrete waterfront while lines of vessels wait their turn in the haze beyond. Officials reckon that the port can turn around a ship carrying 1,000 boxes in 11 to 12 hours, which they claim is the fastest turnaround time in the world.

In this the PSA - a profitmaking body owned by the government but due for partial privatisation, perhaps next year - is helped by Singapore's fanatical approach to its own limitations, and its high

The two things which ports use particularly intensively are the two things in shortest supply on the island: land and labour. The PSA has thus had to find inventive methods of processing, storing, shifting and loading containers.

It is experimenting with driver-less trucks to move boxes around and a computerised operating system which will plot precisely where they should go; it is plugged into a fully computerised document processing system which eliminates burdensome paperwork dures while the cargo is still at sea; it is using expert computer systems to determine the precise placing of containers within a cargo hold.

The only big snag, it seems, in this world of just-in-time planning, control and automa-tion is the ocean itself. Mr Lee confesses he has yet to come up with a technological answer to the typhoons that regularly sweep the south-east

ROTHSCHILDS

Twenty years in Singapore 1973 - 1993

Foreign Exchange and Gold Syndicated and Corporate Loans Corporate and Project Advisory Services

Mergers and Acquisitions Venture and Development Capital

Privatisation

N M Rothschild & Sons (Singapore) Limited 9 Battery Road of-02, Republic of Singapore 0104

> Telephone: (65) 535 8311 Fax: (65) 534 2407

Approved by N.M.Rothschild & Sons Limited, a member of SFA

The sun did not set

Kieran Cooke reports on refineries and plastics

THE modern image of 44 per cent of the region's oil Singapore is of an economy dominated by electronics and other high tech products. But petroleum, one of Singapore's most established industries. still forms a key element in the

economy. Those who once referred to petroleum in Singapore as a sunset industry have been proved wrong. Last year more than S\$400m was spent on upgrading and refurbishing

existing refineries. Singapore is the world's third biggest refining centre after Rotterdam and Houston. The oil majors and the locally and foreign held Singapore Refining Company have invested heavily in a range of

sophisticated plant and equip-The total capacity of Singapore's refineries is now slightly over 1m barrels a day, supplying almost 40 per cent of Asia's refined product imports. Singapore has also become - along with London and New York

This is the third biggest refining centre after Rotterdam and Houston

one of the world's main oil

petroleum sector ecounts for more than 10 per

cent of Singapore's total mannfacturing output and refined goods continue to be one of the largest items in the country's trade account.

Low refining prices worldwide have squeezed local profit margins in recent years. But Singapore's future as a refining centre would seem to be ssured by a number of fac-

 Singapore's geographical position, at the centre of the supply chain from the Middle East to Asia's main markets in Japan and South Korea, is becoming ever more important as most economies in the Asia region rapidly expand. Oil demand in the Asia

region is now rising by nearly four per cent a year compared with a world average of 0.5 per cent. Total petroleum demand in the Asia Pacific region is projected to rise from the present 14.5m b/d to nearly 20m b/d by the turn of the century. To meet this fast expanding regional demand, increasing amounts of oil will have to be

shipped from the Middle East -

through Singapore. Though

exploration activities are being stepped up in Asia, only about

the turn of the century it is estimated that nearly 80 per cent of Asia's oil will be imported

 Though several countries in the region have announced plans to build refineries, there is concern about the incres costs involved. Singapore is fortunate to have an established refining industry: it is far cheaper to expand and upgrade existing plants than

 As a consequence of upgrading programmes Singa-pore is now acknowledged as one of the most efficient refining centres, capable of processing a wide range of product. put on investments in equipment to produce low sulphur fuels, the so called "green" products increasingly in mand in the region.

A considerable petrochemical industry has grown up alongside the petroleum sector. Overall nearly 300 foreign and local companies are involved in refining, petrochemicals, industrial chemicals, pharma-

As in the refining sector the petrochemical industry's margins have been squeezed in recent years by generally low world prices, plus a rapid rise in regional production, mainly caused by several plants coming on stream in South Korea. But Singapore's planners see

a big growth in regional demand for petrochemical products in the years ahead and have successfully attracted some of the biggest names in the business to invest in new olants. As in all areas of investment activity. Singapore is providing key infrastructural support

A landfill project is planned which will unite five islands off the main island of Singapore into a S\$4bn petrochemic cal complex. Du Pont, Mohil, GE Plastics and others are investing more than S\$2bn in a variety of projects.

One of Du Pont's plants will produce key ingredients for polyurethane used, among other things, for liners in the ever expanding running shoe industry. Companies such as Nike moved their manufacturing operations to Asia some years ago: of the 90m pairs of shoes Nike produces each year, less than two per cent are made outside Asia In future Du Pont will be able to feed Nike plants in

its Singapore plant, rather than from the US. "We've been selling our prod-

ucts in this region for many years," says Mr Thomas Springer, managing director of Du Pont's Singapore operations. "Now having a sence here makes sense both from a production and from a sales point of view. Over the next few years we see our market in the Asia Pacific growing at twice the rate of

FINANCIAL TIMES ASIA PACIFIC SURVEYS 1993

PHILIPPINES HONG KONG SHANGHAI INDONESIA **NEW ZEALAND** MALAYSIA TAIWAN **AUSTRALIA** THAILAND

26TH APRIL 28TH APRIL 4TH MAY 13TH MAY **16TH JUNE** 31ST AUGUST **8TH OCTOBER 4TH NOVEMBER 6TH DECEMBER**

FOR FURTHER INFORMATION CONTACT:

SARAH PAKENHAM-WALSH **FINANCIAL TIMES** HONG KONG OFFICE 17TH FLOOR, 17B SHUN HO TOWER 24-30 ICE HOUSE STREET CENTRAL HONG KONG

TEL: (852) 868 2863 FAX: (852) 537 1211 OR SAMANTHA TELFER FINANCIAL TIMES ONE SOUTHWARK BRIDGE LONDON SEI 9HL

> TEL: 071 873 3050 FAX: 071 873 3595

100

--.=:/-

1,759

100

7. 94

2 254

- . 's- c=

1000年

1880 E.

1.

-

4 - 1

 \mathfrak{S}

Asia's industrial expansion is a magnet for Singapore investors, says Kieran Cooke

Challenge of the eastern horizons

LATE last year Mr Lee Kuan Yew, Singapore's senior minis-ter, made a lengthy visit to China. The trip acted as the catalyst for what is being billed as one of the main policy shifts in Singapore in recent

Mr Lee returned to berate Singaporeans for not participating in China's economic progress. Singapore had been made too comfortable said Mr Lee. The country was in danger of missing out because its people were not willing to take risks and invest overseas.

That's our problem ... no one wants to go abroad ... we have got to shake Singaporeans up, make them adventurous, or we will be losers." All the considerable armony

ior huge numbers rivices from Trai-sia, Indonesia and as Sri Lanks and dia. As interna-tiner ships have easter - from per-exaster - from per-exaster - from per-fectly two deades. TEUs two day - the freient hub pos-

icient hub port

iftly transfer con-

n one vessel to

getting very W

expensive. say

Want to go to

fts and get sat

e of lines and

ore competitive"

105 of traffic are

A ship arrives h

n average even

- about 80,000 a

any given day,

00 20-foot or 4

ers are parked on

waterfront while

els wait their tun

beyond. Officials

the port can ten

ip carrying 1,000

o 12 hours, which

the fastest ten-

PSA - a profit-

y owned by the

but due for partie

n. perhaps sen

relped by Sizes

зі аррговен шіц

uns, and in his

larly intensively things in shortes

PSA has thus be ntive methods d

storing, shiftle containers. erimeating wit

trucks to mor i and a compute ag system which Lisely where the

is plugged into a erised document stern which the asome paperwai

" CHAIDES PROCE the cargo is still

using expert con-

. to determine the

ng of containers

ig snag, it seems

a of just-m-time

and anions

ean itself. Ur læ

: :echnological

ie typhoons in

ep the southess

has yet to come

to hold.

ST

BER

MBER MBER

iz the world.

of the government has since been mobilised to promote a new more outward looking policy. Ministers constantly talk of the need for Singapore to develop an external economy, a "second pillar" or wing.

They say Singapore must be more willing to take advantage of economic developments in the region. Singaporeans themselves must become more entrepreneurial, more willing to take risks, less afraid of failure. "Who Dares, Wins" should in future be Singapore's motto, says Mr Lee.

The basic idea behind the new policy is that Singapore, having outgrown its small domestic base, cannot continue to expand its economy without the boost of external invest-

Entrepreneurs from Hong Kong and Taiwan and conglomerates from South Korsa have all made huge investments overseas which will provide added growth at home in the years to come.

Singapore, says the govern-ment, has lagged seriously behind and now has to become alternative, says Mr Lee, is an failed story - one that nearly made it but stalled half way. The Singapore Inc appoach, used so successfully at home, is being duplicated overseas, with government departments and bureaucracy coordinating with big business to mount a

foreign campaign. Dr Richard Hu, the Finance of incentives to promote outward investments in his recent budget. The main thrust of a new tax package, which

One of the reasons for hesitancy is the insularity of an island people

involved cuts in both personal and corporate tax rates, was to encourage investments abroad given to various overseas ven tures, while the government will provide cash incentives to operations setting up abroad.

"Individuals will be encour aged to take part in risky but highly profitable ventures, knowing that if they dare and succeed, government will not cream off a large share of their rewards." said Dr Hu.

Singapore trade offices abroad are helping investors identify opportunities. The government's Economic Development Board (EDB), which has attracted hundreds of companies to invest in Singapore. is now helping fund Singapo-rean businesses which want to open abop overseas.

A number of Singapore schools are planned overseas to encourage families to live abroad. The government has tee to ponder the difficult question of how to make Singaporeens more entrepreneurial. Some are sceptical about the

new policy. They point out that

the government itself, and Mr



Lee in particular, have been in tering attitudes now being crit-

They argue that by building up an over-regulated, carefully controlled society with an economy dominated by state companies, the entrepreneur has been squeezed out of peo-

Others say the real aim of the new policy is to tweak the ears of Singaporesns and pre-

vent complacency. "The government is once again using scare tactics, telling us that unless we try harder we are in serious trouble." says one critic. "It's a very familiar

in fact, Singapore already has considerable investments oversess. A recently completed Department of Statistics report said 2,290 Singapore-based companies had set up subsidiaries abroad up to the end of

totalling \$\$7.49bn. Malaysia and Hong Kong were the two top locations both in terms of company numbers and amounts invested.

The report concluded that Singapore's direct investments overseas are "expected to grow dramatically in the 1990s" as new markets open up and Sin-gaporean businesspeople gain more experience of working

That prediction has already been borne out by developments in China and Vietnam. China says that Singapore investments in China in the first six months of 1992 totalled US\$494m against a total of

Hardly a day passes without the announcement of another big China project, usually involving one or other of Singapore's public companies in

combination with private sector partners (see article below n Singapore Technologies). In particular, Singapore is

structural development and management – covering everything from airports and airlines to banking and fiscal systems - in the China market. systems – in the China market. The same is the case in Viet-

nam. Singapore is now not only Vietnam's biggest trading partner, it is also among the leading investors in the coun-

For several years Singaporebased companies have been estate, most visibly in Austraia but also more recently in England and elsewhere. Several Singapore hoteliers are now investing in new projects

Singapore is one of the leading investors in Victorian

in China and Vietnam.

Singapore is sitting on a mountain of savings. Its for-eign exchange reserves are officially put at \$40bn though they are generally considered to be considerably higher.

The government's Singapore investment Corp (GSIC) which ager, has substantial funds invested in stocks overseas. The GSIC is reported to have navigated recent ups and downs on the Tokyo and Wall Street stock markets exceptionally well. "They are the smartest guys in town," said one

US\$896m for the entire 1979-91 But some government investments have not gone well. A 1991 purchase for S\$821m of a 30 per cent stake in Mount Charlotte Investments, a British-based hotel chain, has not so far provided any returns.

Other investments in high tech companies in California's Sili-con valley have also proved less than attractive.

The government's answer to its critics is that such investments are made long term and that once risks are taken, then some degree of failure is likely. The government now feels it passed on to the private sector. Entrepreneurs from Hong Kong and Taiwan are not wor-ried about the prospect of fail-ure. As Mr Lee notes, every Hongkonger believes that he

can become a millionaire
"There is that spirit of adventure, that willingness to take risks, to lose everything and to try again, that makes them so different and so successful. On the other hand, Singaporeans prefer secure They are not willing to give up the security of Singapore for more gain abroad when they think the risks are too high or where it entails much discom

fort." Inculcating a more cavalier. swashbuckling approach in Singapore businesspeople has its dangers. Singapore prides itself on its above board business style. Entrepreneurs, to be successful overseas, might have to learn to be more

Mr Goh Chok Tong, Singapore's prime minister, was recently asked if he felt there was a danger that Singaporeans might import less savoury business habits from

"I think when they go out-side, they have to learn how to succeed and our rules will be

"In Singapore we do things in our usual way ... Outside I think they'll have to be entre-

Singapore Technologies

Dynamic engine with a military rhythm

AT THE heart of Singapore's operates Singapore's mint and orientated economy is a group of state companies, accounting for an estimated 25 per cent of gdp. They, along with the multinational corporations, have formed the engine of Singapore's economic growth over

the years. Singapore Technologies Industrial Corp. (STIC) is part of the Singapore Technologies. conglomerate, the largest industrial and high technology group in the country with a total workforce of more than 12,000 and annual sales of

The Singapore Technologies group started life in the mid 1960s as the industrial arm of Singapore's armed forces. One company in the group, Chartered Industries, has developed considerable expertise in a wide range of armaments and, according to a Singapore

STIC accounts for 25 per , cent of gdp, employs over 12,000 people and has sales of over \$1bn a year

newspaper report last year, is now one of the world's top 10 military small-arms compa-

The group has diversified into many other areas. Following a company reorganisation in the late 1980s, STIC was formed to oversee the group's commercial activities in the electronics, precision engineering and industrial services sectors. Last year STIC-had a

turnover of \$\$730m.
"Start with the idea that Singapore is like a company - that's the way it works," says Mr K. S. Wong, STIC's presi-

Mr Wong says STIC is not like public companies in other countries. "We have no subsidies. We have to borrow from the market. We have to take compete with private sector

STIC's activities are very in Europe or elsewhers, varied. It owns the largest involved in technology and computer software house in want to come to Asia then we computer software house in southeast Asia and provides computer recovery services to number of companies, including Singapore Airlines.
It provides communications

links on Singapore's mass rapid transport system (MRT), runs car parks, builds flight simulators, supplies the Singapore army with cooked food, runs a vehicle leasing company, owns one of the country's biggest travel companies and two retail stores. It also

Now the emphasis is on expanding activities overseas. Industrial park development has been the main focus of attention. STIC helped in the formation of the first industrial park in Theiland a few

In partnership with another state company - Jurong Ravi-ronmental Engineering - and the Indonesian Salim Group, STIC is building and operating a 500 bectare industrial park on the Indonesian island of Batam, about 20km south of

Batam will eventually employ 20,000 workers, mainly in the electronics industry. Already several multinational companies have set up operations on the Island.

We provide everything for the [multinationals] from beginning to end," says Mr

Wong.
"We organise work permits,
build their factories, lay on water and electricity, build sewerage systems, provide their housing. All they have to do is get on with their busi-

The Batam concept is now being transferred to China en a much larger scale. With the same partners STIC is building a 5,000 hectare industrial park in Fujian province. A similar project is being investigated in southern India. southern India. Other international opportu-nities are being explored. STIC

now has offices in Munich, New York and Tokyo. As well as industrial parks STIC is involved in specialised elec-tronics and precision engineering projects oversess. STIC has recently entered into an agree-ment to supply stitcher/binder modules for Xerox photocopi-

Mr Wong says there are many other possibilities for STIC overseas, particularly if partnerships are formed with

"If you are a multinational suggest you look at us as a possible partner. STIC has an established network in the regional market. We also have all important guanzi [connec tions] in China. Perhaps most importantly we are willing to put our money up front. Forming such partnerships is part of our philosophy and the way to grow internationally in the

Kieran Cooke



A MISSION TO BE WORLD CLASS

To be at the forefront of technology... Provide our customers with a range of services that meet the highest international standards ... All at competitive prices. The essence of our mission. Singapore Telecom serves more than 3,000 international companies that have chosen Singapore as their Asian home. Our telecommunications services and infrastructure are consistently rated the best in the world.*

We're turning our sights to international markets. And Singapore Telecom will continue to be guided by a single determination to offer world class communications to our customers, wherever

It's a promise we've been keeping for years in Asia. Now we're ready to make it to the rest of the world.

they may be and whenever they may need them.

AND A WILL TO SUCCEED



Singapore Telecom

Service first. Always.

Premier Goh Chok Tong must work harder to assert his authority, writes Kieran Cooke

A legacy and a challenge

AT THE end of last year, Mr Goh Chok Tong, Singapore's prime minister, put his political neck on the block. Mr Goh resigned from parlia-

ment and stood in a by-election in his own constituency. There was no doubting that Mr Goh and his governing Peoples Action Party (PAP) would win. The crucial factor was the margin of victory. In the event

Mr Coh and the PAP gained 72 per cent of the vote. Such is the nature of Singapore politics. If Mr Goh and the PAP had not achieved a resounding victory in the by-election the prime minister's future could have been in

Mr Lee Kuan Yew, Singapore's prime minister for nearly 30 years till he handed over power to Mr Goh in 1990, told voters that the future of Singapore would be in jeop-

ardy if Mr Goh and the PAP did not win by a big margin. There is a danger that a significant percentage of voters may believe they can score points against the government by reducing the PM's votes and leave their neighbours to vote for the PAP," said Mr Lee.

"I ask them to pause and to consider the effect on their

ONE thing Singapore cannot be faulted for is planning.

Long before the government announced its policy to

develop a fully fledged exter-

nal economy and encourage Singaporeans to invest over-seas, the ground was being

The Singapore International

Foundation (SIF) was founded

in 1991 with the specific goal

of encouraging Singaporeans

Dr Chan Heng Chee, former

university lecturer and most

recently Singapore ambassa-dor to the UN, is SIF's direc-

tor. Though government played a role in bringing the

SIF into being, Dr Chan stresses that the SIF is an

independent, non political

"We aim to help Singapore in its efforts to go global. This

should benefit others and ben-

efit Singapore as well.

organisation.

to think internationally.



Ex-premier Lee Kuan Yew: out of power but still on the stage

own future...If the by-election result is poor, you will cast a shadow on the PM's authority and put Singapore and your own future in doubt...If you deny the prime minister a strong endorsement by a much lower percentage of votes, then you would have shot yourselves in the foot."

The need for such over whelming victories at the polls is partly to do with the problems Mr Goh has faced coming to office after such a dominant leader as Mr Lee. It is also a reflection of the PAP's political

Mr Goh has not had an easy

the founder's long shadow

time asserting his political authority. Mr Lee towered over Singapore's politics and virtually every facet of the country's life for more than 30 years. Mr Lee resigned from office to make way for a second generation of leaders in Singa-

pore, among them Mr Goh. But Mr Lee did not leave the political stage. Far from it. He came senior minister in Mr Goh's cabinet. Mr Lee did not hesitate to criticise if he felt the running of the country was not being carried out properly. In an effort to establish his

own political mandate, Mr Goh called a general election in mid

1991. The PAP won 77 of the 81 seats in parliament and 61 per cent of the popular vote. The result, though highly respectable by the standards of

most governing parties elsewhere, was considered a serious setback by the PAP and by Mr Goh. More opposition MPs than before had been allowed into parliament. The PAP had seen its vote slip to its lowest level since the late 1960s.

Mr Goh did not feel his political legitimacy had been established. That finally came with the by-election last December. But in the interim, various

factors had strengthened Mr Goh's position. There la a widely held belief in Singapore that Mr Goh was not Mr Lee's preferred choice as prime minister. Mr Lee had carefully groomed his own son for the

Lee Hsien Loong, a reserve brigadier-general known as "BG" Lee, is cut very much in as his father. Mr Goh was seen only as an interim prime minister - in the job until BG Lee, 40, was thought ready to

BG Lee had distinguished himself as Minister for Trade and Industry and as one of

Brother motive." Dr Chan feels Singapore has a lot to offer the world. "Singapore is a good brand name. We work hard, we are efficient, we get

The SIF seeks to help Singa-

poreans to internationalise,

while maintaining what's con-

sidered to be a distinct Singa-

According to Dr Chan that identity is made up of various elements. Insecurity is one of

them. "Insecurity is part of

the psyche of Singapore. Our

history has taught us that we are vulnerable. We are a para-

dox. We always have to bal-ance the needs of creativity

with the requirements of

But as more and more Singa-

poreans seek opportunities

overseas, they will have to

loosen up. "That will be a

building a state, a nation."

porean identity.

Singapore's two deputy prime ministers. But last November it was announced that both BG Lee and Ong Teng Cheong, another deputy prime minister,

BG Lee has been away from the political scene for several months. Mr Goh says that the younger Lee has responded well to treatment and it is likely he will take up his duties again soon.

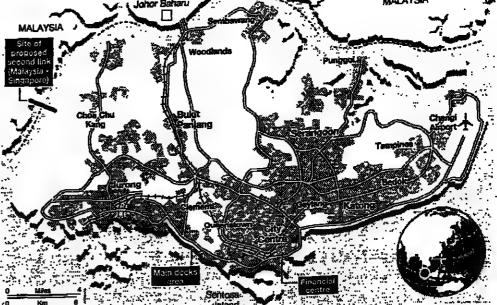
Mr Goh has taken over the important post of PAP secretary general from the elder Mr Lee and put his own people in key positions, including placing a former aide as head of the powerful internal security

Mr Goh appears confident and denies any suggestion that he is an interim prime minister, or of any conflict with Mr Lee. "The important thing is the relationship between myself, the senior minister, BG Lee and my colleagues. We know the nature of our relationships. I know what role I'll be playing in Singapore. I was hoping, frankly speaking, that I could contemplate my retirement in the year 2000...I see myself in this job for quite some time to come, even had there been nothing wrong with

But Mr Goh and the PAP do have problems. If the PAP vota continues its downward trend in general elections it is not inconceivable that within a few years there could be up to 20 opposition MPs. There are those who see this as an inevitable development in a maturing political and economic

The governing party is a highly disciplined, secretive organisation that carefully selects its members. After more than 30 years in power the PAP and government have become synonymous. The party still very much reflects Mr Lee's image.

Mr Raj Vasil, a writer on Singapore politics, says the elder Lee is the party in the eyes of Singaporeans: "The PAP does not have much of an identity independent of the (then) prime minister and the government headed by him. Its image, identity and appeal are Kleran Cooke almost entirely derived from



the personality of the prime

So far, there is little sign that the PAP is willing to or wishes to change its image. A sizeable section of the Singapore population seems to are being largely ignored by a government and party which is seen to have grown elitist, too focused on the increasingly affluent, English educated mid-

This group feels life is becoming increasingly expensive. It feels it is missing out on the fruits of Singapore's economic success. Many of these people – Chinese dialect speakers living in housing estates - were once the bedrock of PAP support.

Opposition parties are still small and tend to lack coherent alternative policies. In the past government has used various methods to undermine the opposition. Many talented Shaporeans have been reluctant

to oppose government.

But the PAP itself is also short of talent – a fact acknowledged by Mr Goh late last year when he said his cabinet was ageing and needed to be revitalised with new political talent

"My job is to make sure that the drop in the PAP vote doesn't come about. So when there is a one per cent drop, I get worried...if the PAP can succeed in recruiting very able people, honest, dedicated, committed, to join the party, we think the PAP is going to be in government for a long, long time."

		839.1 ag km.
Area		3.1п
Average Exchange Nate especialistication and the contraction and t	1992 \$	1.a1.6290 S\$
ECONOMY		
	1991	1902
Total GDP (\$ bri)	40.2	46.0
Real GDP growth (%)1	6.7	5.8
Components of GDP (%)		
Private Consumption	43,7	. 43.1
Total investment.	38.2	40.8
Government Consumption	10.4	9.8
Exports (net)	8.1	6 <u>.2</u>
inflation rate (%)*	3.4	2.3
Employment growth (%)1	+2.6	+3.4
Reserves mixus gold (\$bn)*	34.1	39,5
M2 growth (%)1	+14.3	+11.7
Call money rate (%)*	2.8	0.8
3 month interbank rate (%)	3.0	2.2
Strait Times index (%)*	+29.1	+2.3
Current account (\$ bn)	3.5	2,9
Exports (\$ bn)	56.8	60.9
Imports (\$ bn)	61,6	66.6
Trade balance (\$ bn)	-4.1	-4.9
Mein trading periners (%)	Exports	Imports
US	19.8	15,8
Malaysia	14.9	15,3
Jepan	8,7	21.0
Hong Kong	7.2	3.0
Thelland	5.5	3.2
UK	3.0	. 2.9
EC	14.0	12.0

KEY FACTS

Notes (1) Year on year percentage change (2) Year on year percentage change in consumer prices (4) Year on year percentage change at 31st Dec. (5) Percentage share by value in 1991 Source: IMF, Detestream, WEFA, Economist Intelligence Unit

Profile: role of the SIF

Widening the island's mental horizons

have Singaporean profession-als belping in various countries. At the same time we try to stay in contact with Singaporeans overseas, to tell them Dr Chan feels much has

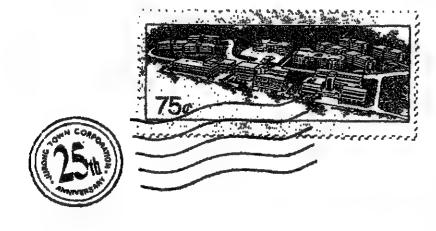
changed in Singapore - not just the physical landscape. "Singapore has opened up. If you read the newspapers today compared with a few years ago they are very different. There is more willingness to criti-

The arts and theatre scene has changed. It might have a certain innocence and perhaps tell people there are tremen-dous opportunities in Singa-pore, especially for the

The SIF estimates that up to 100,000 Singaporeans are now living abroad, a sizeable proportion of Singapore's 2.8m population. Dr Chan says that there is concern about a brain drain and one of the aims of the SIF is to keep in touch with Singapore's overseas talent. She denies any suggestion that her organisation is out to keep tabs on its citizens.

"I don't have lists of names or dossiers - there is no Big

challenge to our identity."



AFTER PUTTING OUR STAMP ON SINGAPORE'S INDUSTRIAL LANDSCAPE, WE'RE READY TO GO OVERSEAS.

When Jurong Town Corporation was formed in 1968, much of Singapore was made up of pockets of slums and swamps.

The mission to develop our country's industrial intrastructure read uncompromisingly like a charter to explore the New World.

Our maiden project was to create Singapore's first industrial park out of a sweltering jungle fringed with crocodile-infested mangrove swamps.

Sweeping aside all romantic notions, the men and women of JTC (as we have come to be known at home) put hand to plough.

A total of 6,400 hectares of land was levelled. In a matter of months, power lines, water and sewage pipes, roads, rail and communication lines, like a system of life-giving arteries, were laid in place.

about 5,000 factories, a deep-water port, a reservoir,

And then, like the proverbial phoenix, rose

With the changing times came the need for cleaner, environmentally friendly factories, sophisticated facilities for high technology industries and designs with energy-conserving features.

And while JTC received increased recognition for its role as the chief architect of Singapore's industrial landscape, the Corporation continued to push ahead with bolder, bigger and newer plans for the future.

Not even mountains, some had whispered from the fringes, can stand in the way of Jurong Town Corporation's resolve to get a job done.

Today, JTC manages more than 30 Industrial estates housing a total of about 5,000 multinational corporations and local companies.

From multi-storey factories to technology and business parks. From industrial land preparation • to port and marine services.

Somewhere along the way, the problems and challenges encountered in earlier years became the basis on which the Corporation's experience and expertise are built.

Is it any wonder that JTC possesses the expertise to manage a wide range of services in

the keenest minds in Singapore?"

Or is it surprising that JTC has now grown to be the largest developer of industrial estates in the island Republic?

Today, JTC's phenomenal success and rapid expansion prompts us to look abroad to share our knowledge and experience.

Joint venture projects are going on in Thailand, Indonesia and China.

Consultancy services for overseas projects are currently being undertaken by one of our subsidiary companies.

JTC still continues to seek partnerships from all quarters to develop investment opportunities in the Asia-Pacific region.

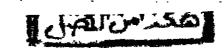
For more information, write to us at Jurong Town Hall, 301 Jurong Town Hall Road, Singapore 2260. Or you can contact us by fax (65-568-8646) and telephone (65-568-8648).

You will find us particularly insightful and tempered with a taste for challenges.

After all, it seems like only yesterday when we had our humble beginnings in

a crocodile-infested swamp.





FINANCIAL TIMES SURVEY

IN AMERICAN FINANCE

SECTION IV

RCH 29 1993

dent Wee Kim We ingapore dollar St 1991 \$1=1.7276 \$ 1992 \$1=1,6290 \$

40.2 6 7

3.4

+2.5

14.2

2.8

3.0

56.8

61.6

-4.1

ner prices

 $\sigma_{\mathcal{G}_{k+\frac{1}{2}}}(m) \leq \sigma_{\mathcal{G}_{k+\frac{1}{2}}}(M)$

RESERVED THE SECTION

571 3 (1010)63

und geit tabid

na goata (M

13 mg 18 m

Bend Crojects

gradi or suf

reterios HOM

Statistics in

, <. 62° %

5-563-8646)

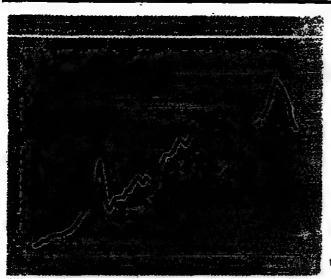
- graphing (250

*upar

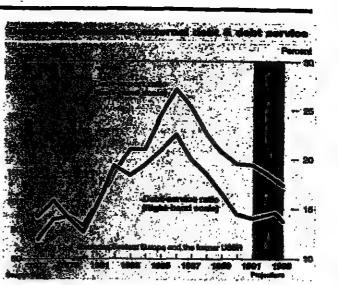
153

29.1

Monday March 29 1993







important financial developments of the 1990s, setting investment trends into the 21st century - or perhaps just another financial fad. Megatrend or a flash in the pan, Latin America has in the last three years pushed itself to the top of the agendae of investors - individual, financial and corporate - worldwide.

The reasons are both inter-nal and external to the region. Internally, economic policies offering prospects for stability and a return to growth are being pursued by governments no longer hostile to private capital. The cloud of the 1980s foreign debt crisis has lifted in some countries, thanks to low US interest rates and negotiated debt relief. Externally, low returns in established markets have forced investors to look further afield to improve

Michael Howell, of Baring Securities global strategy unit in London, recknos: "One in every three new investment dollars now allocated worldwide in equity is going into emerging markets."

Of this, Latin America is geting an important abare. Mr Howell often describes to investors an ideal investment portfolio for the turn of the century. The portfolio is only 54 per cent invested in the staid markets of the industrialised world: the rest is in the

emerging markets of developing countries. One-fifth is concentrated in Latin America Yet this is no portfolio of the future, but a typical British investment spread in 1913. Mr Howell argues that, after years in which emerging markets were ignored, history is turn-ing a full circle.

Richard Watt was recently appointed head of Latin American investments for Gertoure Investment : Management, which manages around £12.8bn (\$19bn) of funds, Gartmore has recommended to clients that they put up to 11/2 per cent of their portfolios in newer emerging markets. Around 70 per cent of that will go to Latin America. Gartmore has already placed £40m of investment in the region since the start of the

Pension funds in Britain account for mura than £300m of investments. Philippa Armitage of Fleming Investment Management believes UK institutions will approach Latin America as they did Asia's emerging markets some years ago, initially committing per-haps 1-3 per cent before build-ing up to higher levels. UK institutions are lagging

Dutch and, in particular, US investors. In the US alone, institutions hold some

One in every three new investment dollars now allocated worldwide in equity is reported to be going into emerging markets. Latin America is winning an important share, reports Stephen Fidler

\$8,000bm. There, some consultauts are recommending significantly larger exposure to Latin America. They see economies with good growth prospects, attractive share valuations and the scope to increase return by diversifying portfo-lice and thereby reducing risk.

VEN if a fraction of this money makes its way into Latin America on a sustainable basis, it can make a huge difference. Yet investors are still cautious after the 1980s debt crisis, unsure about the durability of the improved economic performance. There are questions about the ability of markets to absorb a large influx of funds. Investors rarely complain about inadequate settlement procedures except in Venezuela - but the markets in most shares are thin and prone to oversboot. This volatility of Latin stock markets was forcefully under-

lined last year. Stocks hit new

highs in the first half of the

year and then collapsed, leav-ing investors with meagre

returns and a large number of

proposed international equity offerings high and dry. The market for Letin Ameri-

can bonds also had its share of troubles: the latter part of the year saw a glut of over-priced bond issues which sold poorly. Some underwriters only cleared their books of these issues with this year's fortu-itous drop in US interest rates: they may as a result be more cautious in the future.

These problems, providing investors with their first real sethacks since private capital began flowing back into Latin America at the start of the 1990s, contributed to a slowing of portfolio investment into the region last year. That interest among portfolio investors in the region continues to grow after such difficulties sugges the return of foreign capital to the region may be more than a

Despite this, an important proportion of the inflows - too high for comfort - has been of volatile short-term capital. This has been attracted by high real interest rates in the region which are a conse-

quence of tight monetary polipast, the region's governments cies aimed at curbing inflation. are doing what they can to Dependence on short-term attract II. Some FDI has been spurred capital to cover current

Mexico's capital inflows - carries risks. It can flee as quickly as it arrived, with harsh consequences on interest rates. growth and economic policy. Over-dependence on volatile foreign capital has underlined the need for reform to boost domestic savings, following the example of Chile where private pension funds have stimulated

account deficits - such funding

is estimated to make up between a third and a half of

growth of local capital markets. Throughout the region, foreign banks are showing a growing interest in local capi-tal markets. There has also been a significent influx of long-term capttal, foreign direct investme (FDI) with the potential to expand the region's productive capacity. As portfolio flows

slowed last year, foreign direct

investment is estimated to

have continued growing. No

longer viewing such invest-

ment with the suspicion of the

by privatisation, an unrepeata-ble phenomenon, but much has also been driven by growth prospects and expected progress towards regional economic integration, which translates into bigger domestic markets.

APPTAL inflows have opened in some countries the prospect of a future path to sustainable growth. They do not guarantee it, however. Latin America is in the early stages of an economic transformation that involves the destruction of much old industrial especity. Industries once protected by high tariffs and import quotes are no longer viable.

This restructuring - togethe with the slimming down of government - implies unem-ployment for important, and often powerful, sectors of society. Yet the economic benefits of new investment, if indeed it continues, could take years to become evident. Since elected

Top of investors' agenda worldwide governments now hold sway in most of the region - and in the next two years almost every country faces a presidential election - there is a risk of a reaction in economic policy.

Even if economic success is enjoyed by some countries, others may miss out. The economic prospects for the largest economy - Brazil - are highly uncertain. Governments face social problems - big income inequalities and poverty that worsened throughout the

In two big economies, Argentina and Mexico, inflation has been tackled in part with policies that have encouraged an appreciation of the real exchange rate. These countries and others have experienced widening current account deficits, raising questions about whether they can be financed on a sustainable basis. Absent Brazil's big trade surplus, the region's widening current account deficit underlines that whatover inventment so far has taken place, it has yet to create

an important base for exports The reform of the region's economies has given Latin America a heightened dependence on foreign capital, external economic conditions and the world trading system. The auguries are strong for contin-

ued flows of new finance to Latin America. Yet most of the region's governments have placed their bets on a system of free markets and free trade, a system now being questioned in the US, the region's most important trading partner, and elsewhere in the industrialised

ON OTHER PAGES The return of capital to Latin America

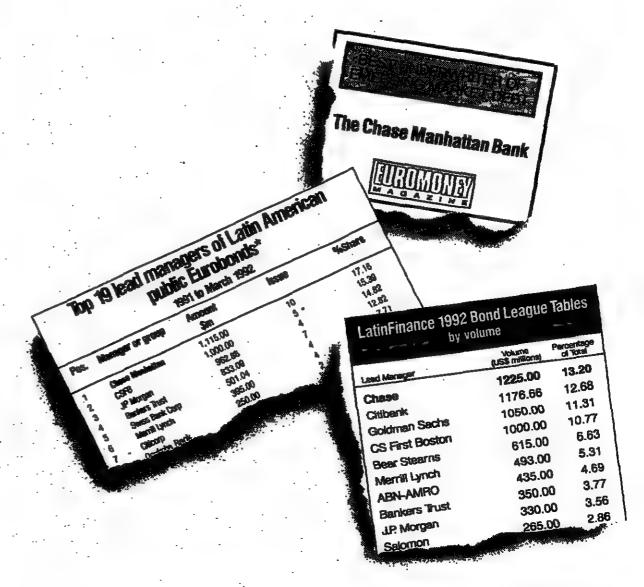
₩ On pages 2 to 5, Stephen Ficier, Latin America Schor, examines in detail the resurgence of capital flows to Letin America and whether they are sunightable. The inflows its bagins own motion growth but have not been unalloyed good news in the minacument of economic policy. What are the prospec for continued flows of short-term capital, portfolio investment and foreign direct investment and is there any denger, with the region's current account deficits on the rise, of any repeat of the 1980s debt crisis?

M Tracy Corrigan looks at secondary markets while Richard Lapper reports on the way that penalon funds can promote local capital marius See page 6

At Chase, our Emerging Markets Group is committed to bringing quality issues and innovative structures to our clients.



But don't just take our word for it.



CHASE is proud to have received #1. rankings in Latis Finance. Eurom eek. Clearly they reflect the commitment, dedication and leadership our clients have come

Chase is committed to the emerging markets forthe long term. Working from a network of offices around the world, our knowledgeable sales force helps to create optimum portfolios to meet our clients'

investment objectives.

For more information regarding the Underwriting, Sales and Trading capabilities of our Emerging Markets Group, call Jorge Jasson in New York, (212) 5521475; Paul Charman in London, (71) 962-5900; or Salomon Josue in Tokyo, (33) 287-4087.

CHASE MANHATTAN PROFIT FROM THE EXPERIENCE

LATIN AMERICAN FINANCE 2

The return of capital to Latin **America**

Report by Stephen Fidler

T THE beginning this year, the Financial Times celebrated its 100 years of publication on pink paper and carried a reproduction of its first pink issue.

News on Latin America was prominent. One front page article declared that JS Morgan and Co and Baring Brothers declined an invitation "to send delegates to Bue-nos Aires to discuss the debt question". JS Morgan saw nothing to negotiate about in regard to loans

Mexico's debt had been renegotiated five years earlier. On the last day of 1892, Mexican 6 per cent bonds issued in the 1888 restructuring by the Porfirio Diaz government closed up a quarter point on the London stock exchange, at 78 per cent of face value.

One does not have to look far to be reminded of the boom-and-bust nature of the international financial markets' 200-year-old affair with Latin America. The question now is whether the recent unusual upsurge in private capital flows is sustainable, or whether once again the whole process is going to end disastrously.

The flows have been spurred by developments both within and outside the region. Latin American governments have set the scene by introducing economic policies which have met the approval of investors. To greater or lesser degree governments have opened tion, curbed budget deficits, privatised state 'ndustry and nerally increased the role of the market. High real interest rates, designed to bear down on inflation, have more than compensated investors for the perceived risks of investment.

The foreign debt problems which plagued governments during the 1980s have been temporarily ameliorated by sharply lower US interest rates. Mexico and others have benefited from longer-term, albeit modest, debt relief through the plan launched in 1989 by former US Treasury

Secretary Nicholas Brady. Outside the region, low US

interest rates and recession in the US and other industrialised countries have lowered investor returns in more traditional markets, and led investors to look at higher returns offered in Latin America. These investors include Latin Americans who, over the previous 20 years, had moved cap ital away from the region.

According to preliminary estimates from the Economic Commission for Latin America and the Caribbean (Cepal), the region's net inflows of all types of capital amounted to 7bn last year, 50 per cent up on the preceding year and nearly three times the level of 1990. The greater part of this

inflow was private capital. Mexico's inflows were up to \$23.3bn from \$21.5bn; while Argentina's rose to \$9.3bn from \$5.3bn. The most remarkable rise was Brazil's, to \$10,1bu from \$1.2bm.

After nine years in which Latin America transferred resources to the rest of the world, net transfers - that is new finance minus capital repayments and interest and dividend remitted abroad came positive to the tune of \$5.5bn in 1991 and trebled in 1992 to \$17.1bn.

The inflows to date have been critical in the restoration of economic growth: economic expansion exceeded population growth in 1991 and 1992. They have helped to lift the financing constraints that have plagued the region's economies since the beginning of the debt crists.

Too much of a good thing?

HOWEVER good for growth, the extent of the inflows has complicated the task of governments across Letin America in managing economic policy.

The flows have had important repercussions on exchange rates, the money supply, inflation, interest rates and wages. They have often pushed economies economy in the opposite direction from that intended by governments. They have made it more difficult to increase exports, have increased dependence on international capital markets and on developments in the indusEconomic outlook: current account balances and total external debt (\$bn)

Country	1992 balance	Proj.1993 balance	1982 debt	Proj. 1993 debt
Argentine	-8.0	-8.0	52	56
Brazil	5.2	3.7	127	127
Chile,	-0.5	-1.2	19	20
Colombia	0.9	0.4	16	16
Mexico	-22.7	-25.7	105	112
Peru	-1.8	-1.8	22	23
Venezuela	-3.7	-2.6	34	35
LATIN AMERICA	-30.5	-35.2	384	390

trialised world, and have played a role in bidding up prices of existing assets, the general benefits of which have not always been clear.

Most governments have handled the inflation risk caused by the capital inflows with some skill. The proof of this is in the decline, except in Brazil, of inflation rates across the region as governments have responded with tight monetary and fiscal policies.

However, this has, in some countries, been at the cost of an exchange rate pitched too high to ensure that domestic industry remained competitive in international markets. The appreciation of real

exchange rates caused by the inflows to some countries has by making exports more expensive and imports cheaper - added to the difficulties of expanding exports, it has placed additional pressures on domestic industries also facing the tough adjustment to lower tariffs and the lifting of import quotas. As Chile's finance minister, Alejandro Foxley, said last year: "We already know from the previous crisis that a sudden inflow of capital can be extremely destructive: it forces in appreciation of the currency that can be of such a magnitude that it will severely hurt the domestic productive struc-

The exchange rate has been a real bind for many governments. If they allow their currencies to appreciate, domestic industry is damaged, imports increase and the current account deficit worsens. If they attempt to maintain exchange rates by intervention in the currency market, the inflows are absorbed through increases in foreign exchange reserves. However, this latter course because the government issues domestic currency to buy foreign currency - expands

money supply and increases inflationary pressures.

The government can take money supply by selling gov-ernment debt. But if it sells debt, this pushes interest rates

actually what it is trying to It also spurs even more short-term inflows of capital. In the mean time, central banks lose money as they buy up foreign exchange on which they earn single-digit interest rates, and pay double digit interest rates or higher to buy-

higher - thereby deterring

physical investment (which is

ers of the debt. The problems caused by sell-ing debt to "sterilise" capital inflows were particularly acute in Brazil last year. There was a rapid expansion of internal debt and a sharp rise in reserves. But because inflation and real interest rates were so high, the interest rates paid on the extra debt added critically to the overall fiscal deficit which fed into the country's

OLOMBIA also had great difficulty: foreign exchange reserves rose in 1991 by \$1.9hn, equal to its entire monetary base. High real interest rates, which resulted from attempts to sterilise these inflows, meant that, according to the InterAmerican Development Bank, in Colombia and some other countries there had been "no real benefit of the inflows of capital to the national economies in terms of increased investment or faster

By common consent, Mexico has probably struck the best balance. Although it had the largest inflow, its fiscal surplus allowed internal debt to be paid back and interest rates to

Without the fiscal surplus which is difficult psychologically to justify in a developing country - interest rates in Mexico would have had to be higher and therefore economic growth slower.

The Mexican government action to offset the increase in has also used foreign currency



Chilean finance minister. Alejandro Foxley warns: "We already know from the previous crisis that a sudden inflow of capital can be extremely destructive

reserves to buy back foreign lebt, although this has the disadvantage again that it uses high-cost capital to buy back low-cost capital.

Significantly, a further possible policy reaction has hardly been discussed in the region: direct obstacles to capital flows. It is clear that most governments recognise that this would send a strong signal suggesting a reversal of the recent nancial liberalisation.

Furthermore, there must be substantial doubts about the efficacy of capital controls or foreign exchange controls either to keep funds in a country or to stop them from entering. Such controls would probably have little effect at a substantial cost.

There is no doubt that the inflows would probably have been more useful if they had been somewhat slower. As the InterAmerican Development Bank said, late last year: "It would have been preferable if they had entered the countries more gradually and on a sustainable basis. Indeed, forecasts suggest

that inflows to the region will slow down in the current year. This will happen for a variety of reasons, but an important contributory factor will be the impact on the figures of Brezil. That country's continuing economic difficulties will feed continuing fears about another asset confiscation through some kind of shock plan, while the government's growth orientation may bring about a decline in real interest rates.

A rerun of the debt crisis?

THE sudden rush of capital into Latin America has inevitably raised questions about what happens if it stops. As the combined current account deficit of the region widens sharply, as it did last year, the parallels are already being drawn with the years that led up to the debt crisis of the

There are significant differences, however, between what is happening now and the experience of the late 1970s and early 1980s which should reduce the risks: Then, budget deficits and

inflation were on the rise, while now inflation is declining and budgets are balanced. • Then, the borrowing was mostly done by the public sec-tor and this time it has been private. This does not comfort everybody: the worrying exception last time was Chile, where the government was eventually forced to assume private foreign debt, mostly owed by Chilean banks. "Private debt in Latin America has a way of becoming public debt," notes one US economist.

• Then, the inflows were largely bank-financed and with interest rates floating along with US rates. This time the mix of inflows is significantly more varied - including equity, more borrowing at fixed interest rates, and an important component of direct investment. Equity investment does not create debt and dividends, in contrast to interest payments, are only paid in the event of investment success. Although in some countries debt servicing would still con-stitute a problem if US interest rates rose sharply, the new capital flows do not increase the vulnerability of the region to US interest increases in the way that the debt inflows of the 1970s did.

• Then, the capital inflows represented a much larger percentage of regional domestic product than in the 1990s. In 1978-82, capital inflows into the region as a whole represented 7 per cent of domestic product, in 1990-91, about 4 per cent and last year 4.8 per cent. However, the averages deceive: Mexico's inflows represented last year over 8.4 per cent of gross domestic product.

There is another crucial difference. Unlike in 1978-82, official reserves have been rising as authorities have actively intervened in the foreign exchange market. Many governments thus have a substantial cushion of foreign exchange reserves in case of

troubles ahead. The current account deficit has been very much the counterpart to the capital inflows. Figures from the Economic Commission for Latin America and the Caribbean show a doubling of the region's current account deficit, excluding Brazil's large surplus, to \$39bn last year from \$18bn in 1991. This of itself is not necessarily bad: it in part reflects the recovery from the 1980s recession which released demand for both investment and consumer

goods from abroad. Nonetheless, Mexico's current account deficit of around 6 per cent of its GDP in 1992 accounted for half of the region's combined current. account deficit, excluding Brazil. Many forecasts suggest the deficit will now rise to \$27bn this year, 8 per cent of GDP.

■ VEN though this is mainly the result of pri-vate sector activity, this does not mean it is of no concern to the government - "in practice, large private sector current account deficits can have important and, frequently, adverse implications for the public sector," says Mr Paul Luke of the British investment bank, Morgan Grenfell. According to the Organisation for Economic Co-operation and Development, which published a generally optimistic report on Mexico last year: "It could once again become difficult to finance a current account deficit, which as a percentage of GDP is close to GDP growth." Continued current account deficits at current levels implied rises in the ratio of foreign liabilities to GDP "in excess of anything observed histori-

More accurately, the ques tion is not whether the deficit can be financed - because after the fact a country's current account deficit will aiways equal inflows of capital adjusted for changes in reserves. The question is at what level of interest rates and therefore of economic growth will the equilibrium between capital inflows and current account deficit be reached. The big current account defi-

cits highlight another issue:

exports are not rising quick enough for some people's lik-"The model is one of ing. export-led growth; the problem is that in most countries exports have yet to take off." says Victor Bulmer-Thomas. head of the institute for Latin American Studies at the University of London.

ASCAPE PERADU PERADU PORTE

This underlines that Latin America's return to growth has so far mostly arisen directly from the lifting of the constraint on access to foreign exchange. This first stage of growth arises because capital inflows allow an economy to spend more than it produces. The importance of this should not be minimised - it has a valuable role in boosting confidence and kick-starting the economy. "The value of this initial positive effect should not be underestimated, especially in a region emerging from a "lost decade" in terms of growth and development," says Stephany Griffith-Jones of Sussex University's Institute of Development Studies in a recent book. It is however a temporary phenomenon.

The second - more long-standing - beneficial effect on growth of capital inflows depends on the extent to which they finance growth in productive capacity. In the 1970s debt splurge, we now know that capital inflows generated insufficient new productive capacity to provide the future income that was necessary to finance the loans. Now the crucial second stage of growth depends on to what extent the inflows are directed to investment and how productive it is.

if enough efficient investment takes place and output rises sufficiently, it is more likely that future debt servicing will be financeable without problems. In Mexico, some capital inflows are financing new factories and machinery for foreign and domestic investors. But the Mexican statistics with their broad definition of intermediate goods - do not really permit a judgement of the extent to which the flows are financing consumption or investment. Moreover, some inflows which might be unequivocally defined as investment are going into construction and real estate projects, which may only obliquely, if at all, help to provide foreign currency income streams to service the financings. Mexico, for example, has been borrowing in dollars to finance toll-road construction.

MUSTRIAL I

Grupo Financiero Serfin of Mexico is pleased to announce that on January 1, 1993, its wholly owned subsidiary, OBSA International, Inc., changed its name to Serfin Securities, Inc.

In the UK, Serfin Securities, Inc. provides a range of full-service brokerage and securities trading services for European institutional investors. The firm has offices in London and New York and specializes in Mexican and Latin American securities.

SERFIN SECURITIES, INC.

Member SFA

Branch Office, Moor House, 119 London Wall, London EC2 Telephone (071) 920-9677. Fax (071) 628-6401

In New York: Serfin Securities, Inc. 399 Park Avenua, NY, NY 10022 Telephone (212) 750-1220. Fux (212) 750-4247 Member NASID and SIPC



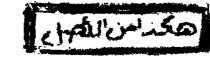
grupo financiero serfin

Mastery comes from practice and experience. At Cernex, we have manufactured cement for eighty years and we know how to do it well.

Our imprint is clearly visible in Mexican cities and works of infrastructure, and our track record is truly outstanding. The penetration of the European market through our Spanish

companies affirms our historical and cultural bonds with Spain, and responds to the Cemex Group's need for expansion. Our sound organizational structure and our wide experience in production techniques, systems and know-how and in the multiple uses of cement and concrete, are a firm support in our steady step to meet this new challenge.





LATIN AMERICAN FINANCE 3

A scale of desirability for capital flows

ARCH 29 [99]

are not rising quite for some people's let in model is one in most country in most country are yet to take at the listitute for lain in Studies at the listitutes at the listitutes at the listitutes at the listitutes the inderlines inderlines the inderlines the inderlines the inderlines inderlines inderlines in inderlines inderlines inderlines in inderlines inderlines inderlines inderlines inderlines inderlines in inderlines inderlines

aderlines that late

is return to stone far mostly stone far mostly stone from the lifting of the stone from the ston

arises because cap

arises because capital allow an economy is ore than it produce to ortance of this show a minimised - it has a mini

role in boosting out a kick-starting the

xositive effect shows

a region energy lost decade in ten th and development plany Griffith-Josep miversity's institute maint Studies

ment Studies in

Nook. It is however,

of Stouth of care

depends on the

eot splurge, we

a capital inflors

asufficient new prode

acome that was been

finance the loss !

icial second stage (

depends on to the

he inflows are direct

tment and how more

ough efficient mes

skes place and one ifficiently, it is

hat future debt sec

or financeable

is. In Mexico, some ow - are financia a

is and machiney's

and domestic inves

: Mexican status

wer broad definion:

ediate goods - de

cormit a judgeom

ent to which the

ancing consuming

den: Moreover, a

s which much

Volatily defined

HER: 200 YOUNG INST

on and real essen

ly it at all, helpt-

DESCRIPTION OF in service the

ettice, for exame.

errowing in dok the read consum.

1000 A TO THE

and culturated

and the second

S CANADA

which may

n they finance soon active capacity, he

zy phenomenon

arcond . inding benefici

CAPITAL is flowing back into Latin America, but not all canital flows are created equal.

"Some types of flows seem more desirable than others." says Stephany Griffiths Jones, of Sussex University's Institute

Bottom of this scale of desirability, from the recipient economy point of view, is spec-ulative short-term capital. Of this, perhans the most risky inflows are those resulting from foreign currency borrow ing by domestic companies to lodge money in money markets at home. At the top of the scale, it is generally agreed, is foreign direct investment aimed at enlarging productive

For comfort's sake, too high a proportion of the inflows into Latin America over the past few years is "hot money" money attempting to capture profit from interest differentials or foreign exchange mar-ket inefficiencies, and which is likely to be withdrawn as soon. as the perceived risk associated with the investment

JP Morgan, the New York bank, estimated late last year that Treasury bills, local currency deposits and other short-term funding account for between one-third and one-half of Mexico's capital inflows.

Arbitrage borrowings by Latin American companies in dollars may also be storing up problems for the future: the British investment bank Morgan Grenfell estimates that 60 per cent of Argentine corporate debt is in US dollars; much of that is clearly invested in the Argentine money markets.

The reason why the depen-dence on short-term capital is such a critical tasue for Mexico and Argentina hangs on their exchange rate policies. Both are using exchange rate policy as a tool in the battle against inflation, leading to an appreciation in the real value of their currencies against the

Argentina fixed its currency to the dollar in April 1991. Mexico, which until October was pursuing a daily slide of the peso amounting to a 23 per tant in some countries than in

cent nominal devaluation a year, is now allowing the currency to float within a target band that would permit a maximum depreciation of twice

The problem is that so much of the short-term inflows depend on an elusive commod. ity: confidence. If the view grows that a big devaluation is in the offing, then short-term capital will not hang around to wait and see. The impact on international financial market confidence could be such that no politically sustainable level of interest rates will be enough to tempt it back.

This possibility can be cush-ioned by the now significant reserves, and in the early part of this year short-term capital inflows appeared to be holding up relatively well - albeit, in Mexico, at the cost of higher interest rates. Nonetheless the risk remains of over-dependence on this type of capital.

indeed, a slowing down of inflows may occur because of events completely external to the region. Some short-term inflows have certainly been encouraged by recent unusually low US interest rates and the low returns on investments generally in the US and other

N Mexico's case, much depends on the passage of the North American Free Trade Agreement through the egislatures of Mexico, Canada and the US. The biggest ques-tion here is the attitude of the US Congress to the accord and signs, one way or the other, about the attitudes of US legislators - are already having a significant impact on capital flows, Sensitive to these concerns are domestic residents bringing home flight capital, salted away in the 1970s and 1980s. This group, until a couple of years ago, accounted for, according to some estimates, half of the region's private capital inflows.

The InterAmerican Development Bank has estimated that more recently almost a quarter of the funds flowing into Mexico have been controlled by Mexican investors.

The trigger for the return of much of this money was the simple lifting of capital con-trols across the region, which gave residents comfort that they could take their money out of the country. Some fligh capital is also obviously linked with drugs trafficking, although this is more impor-



Hegal drugs setzed for burning by Colombian traces

others. Drugs money responds to the concerns of all investors for example, low returns in established markets - as well as to special concerns such as the clampdown on money-l dering in the US and other banking centres following the BCCI scandal.

All told, however, the influence of returning flight capital on overall flows has probably fallen in the past two years as more foreigners have begun to invest. Latin Americans are not, of course, simply parking money on deposit in banks or short-term government paper. They have also repatriated capital as portfolio investors in the region's stock markets and as important buyers of Eurobonds from Latin American ismers.

Portfolio flows

One step up the ladder

PORTFOLIO flows investment in stocks and to be one step up the ladder of

Much of this investment goes into the stock market and into bidding up the price of existing assets, but there is an element of new investment, to the extent that these higher market levels allow for new lasues of equity and debt.
All developing countries have seen a dramatic increase

in portfolio investment flows, which trebled to \$21hn in 1991 over the level of 1969, and were projected at around \$27bn for 1992. Total volume of portfolio flows now exceeds net flows of official finance to developing countries, reflecting what is arly the growing dominance of the private sector in interna-tional finance. According to the World Bank, portfolio flows to Latin America multiplied fourfold from 1990 to 1992.

Portfolio investors are not a homogeneous bunch - and neither can all portfolio investment be viewed as equal. Apart from rich Latin Americans, the universe of portfolio investors also includes aggressive speculative investors such as the

so-called hedge funds, which helped to cause havoc in the European Monetary System last year, and conservative investment institutions dipping a toe into more exotic markets in an attempt to

improve returns.

Some of this investment is therefore quite transitory; some more permanent. The fact that sometimes relatively modest outflows from a stock market can precipitate steep price declines may limit the mobility of this capital. This is because some investors are unwilling to take large losses and prefer to hold on to await a future price rally.

Some traders in the bond and equity markets argue that, over time, the profile of the portfolio investors in Latin America has changed. The first wave of buying was

by investors who believed the

price of assets in the region had simply fallen too far: this was speculative capital centred on trading desks, and to some extent hedge funds and wealthy individuals. It was encouraged by the settlement in Mexico of a debt reduction agreement which, along with low IIS interest rates; has taken the debt question off the list of prime investor concerns. Since then, into the bond market have moved huvers attracted by high absolute yields - preferably in double digits - seeking an improvement in credit. This group are important buyers of Eurobonds. Many do not look very carefully at bond prospectuses

 and they include individuals and mutual funds focusing on emerging market

This group of investors -looking only at absolute yields and not worried about the more subtle aspects of credit quality - had a role in temporarily and unsustainably compressing yield spreads towards the middle of last year, between borrowers of very different calibre.

HE other culprit was over-aggressive bidding by bond underwriters for bond mandates: this left huge amounts of Latin American paper on the books of underwriters late last year, and effectively closed the new-issue market for several months. The backlog was only cleared this year by the rally in US interest rates, which lifted the prices of all dollar-denominated bonds. With US interest rates at current levels, it is unlikely that underwriters will be able to rely on interest rate falls to bail them out a second

time. het traders say Latin bonds are moving into another stage of evolution: sophisticated but often conservative institutional investors are said to be moving in. If indeed this is happening - and it should be facilitate by changes in the last couple of years in US securities regulation, which have belped to reduce some of the more oner ous disclosure and prospectus requirements for issuers selling securities to institutional

investors - then the market in Latin American bonds will be moving towards a more impor-

tant maturity.
These institutions are careful asset allocators, which use modern portfolio theory, buy-ing bonds and equities essentially to diversify risk. They are interested in good credit quality and liquidity, and focus on the spreads or margins over US Treasury bill rates. They vill seek diversification benefits: examining, for example, correlations between, say, US and Mexican government

The justification for portfolio diversification by investment institutions is stronger in the case of equities than it is for bonds. Dollar bonds, issued by whomever, tend to track the US bonds market; while, for non-dollar bonds, the perceived exchange rate risk against the dollar is to some extent built into the yield differentials between that market and the dollar bond market.

For equity investors, this is not the case, and there has been a gradually expanding interest in the region's stock markets from institutions. For the most part. Latin American stock markets are followed by the emerging-markets group within investment institutions, which controls a small but generally growing percentage of

In the UK, there has perhaps been a longer tradition of investment than in the US in what we now call emerging markets. But the traditional

emerging markets for UK investors have been in the countries of the Comm ealth, and only recently has interest arisen in Latin America. Far more important for Latin America is the attitude of US institutions, some of which already treat certain Mexican stocks as part of their North American, rather than their emerging markets, portfo-

The potential supply of capital flows from this source to the region is immense, even if only a tiny percentage of the institutions' portfolios are devoted to the region. In the US alone, institutional investors hold more than \$6,000bn of investable funds. Indeed, if these investors decide to follow their portfolio theory, the optimal level of Latin American investment in a portfolio is considerably above their actual levels, leaving much scope for

There are many ways in which countries can improve the friendliness of their markets to such investors: improving and enforcing regulation. improving the quality of corporate disclosure, improving market liquidity and the like.

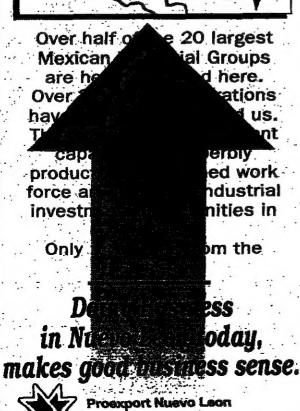
Governments can issue bonds in the international markets across the maturity spectrum to provide benchmarks for other issuers from that country, a tactic followed by

They can also act to reduce the likelihood of disorderly borrowing abroad - of which Turn to next page

The Industrial Capital of Mexico

ONE HUNDRED YEARS OF INDUSTRIAL LEADERSHIP





Apdo. Postal 3165

Facc (52-83) 44-55-76

Monterrey, N.L. 64000, Mexic Tet:(52-83) 45-73-53 through 58 We look after your interest.

At Bancomer, we make it our business to keep an eye on your International banking needs, in order to help you get the highest return on your initial investment.

We have qualified personnel in London that provides a constant source of information on bussines opportunities and puts you in contact with Mexico, helping to speed up the decision-making process surrounding your needs.

At Bancomer, we have a good eye for bussines.

The Mexican Bank With Business Sense.

15 Austin Frians LONDON EC2N 2HE England. Phone (4471) 588-09-51. Fax (4471) 588-09-50. · MEXICO · NEW YORK · LOS ANGELES · GRAND CAYMAN · MADRID · TOKYO · SAO PAULO · HONG KONG · BUENOS AIRES · SANTIAGO DE CHILE ·

LATIN AMERICAN FINANCE 4

Portfolio flows

Continued from previous page: there were several examples in 1992. Although it may go against the grain of liberalisation of financial markets, some bankers and academics believe governments should impose a queueing system on fund raisings in the international bond and equity markets, such as that operated until recently by the Bank of England.

This is because a mispriced or badly-timed issue by one fundraiser - there were several examples of these last year can all too easily affect market psychology and prevent others from having access to the markets. It is also argued that some kind of quality control is worth considering on would-be suers. This is important in the international bond market, where no Latin bond issue has defaulted in recent years - a record which, sooner or later, probably will fall, with potentially disruptive affects for other borrowers.

In the shorter term, there is concern about the relatively poor performance and volatility of both Latin bond and stock markets in 1992. Salomon Brothers' index of Brady bonds showed a total return of 4.6 per cent for 1992. Stock market investors also had a much more difficult year in 1992 then they did in 1991. Double-digit gains were observed only in Peru, Mexico and Colombia, and in both Mexican and Peruvian markets there was extraordinary volatility. This was after a year in which there were gains above 100 per cent

in Argentina, Brazil, Colombia. Mexico and Peru. Chile rose by 90 per cent, while Venezuela was a "disappointing" 34 per

Although not usually classed as portfolio capital, there is another potential source of private capital that has been largely forgotten in recent years: the commercial banks.

If international banks are to become a more important source of finance for the region during the 1990s, the growth will be gradual. Not only will the experience of the 1970s make them cautious for some time to come; but, more important, it will also take time for banking regulators throughout the world to reduce the mandated provisions that banks have to make against loans to developing countries.

There is, however, scope for project investment - particu-larly where loans can be repaid through receivables arising from cross-border commerce and support for companies planning direct investment: at the moment, most favoured source of foreign capital.

> Foreign direct investment

Impact is significant

WHILE portfolio flows to all developing countries stagnated somewhat last year, the importance of foreign direct invest-ment continued to grow.

According to the Organisation for Economic Co-operation and Development, international direct investment accounted for less than 20 per cent of total private capital flows to developing countries at the beginning of the 1980s. By 1987-89, this had risen to 60 per cent, in part because bank lending had dried up.

In Latin America. FDI is already having a significant impact on the region's balance of payments. While in 1988 it was equal to less than a third of the region's net transfers abroad on debt, estimates for 1992 show FDI almost equal to net transfers. Direct investment accounted for 65 per cent of Chile's capital inflows in 1991, and 35 per cent of Mexico's.

There is no doubt that contributory factors behind this increasing inflow have stemmed from within the region: the improved macroeconomic performance, more welcoming regulatory regimes. the decline in Latin America's economic nationalism and its privatisation programmes.

The development bas also come against the background of an extraordinary boom in cross-border investment that continued throughout the 1980s, but which appears to have slowed down in the early 1990s as, one by one, the main industrial economies have In the 1980s, according to the

OECD, the total stock of FDI boomed globally from about \$500bn in 1980 to \$1,500bn today. Worldwide flow of FDI grew in the 1980s at an unprecedented average rate of about 29 per cent, reaching close to \$200bn in 1990.

This growth rate was five times that of world exports and 10 times world output. Such rapid growth meant that the percentage of FDI going to developing countries fell markedly in the 1980s, even

as in absolute terms the amount rose. The proportion going to developing countries declined from 20 per cent in 1980-84 to just over 10 per cent in 1985-89; Latin America's share of the total dropped from 7.4 to 3 per

cent of global inflows and that

of Africa from 2.5 to 0.6 per In the years 1985-90. when overall cross-border direct investment in industrialised countries was growing at around 30 per cent a year, FDI into Latin America was expanding at a more modest

rate of 11 per cent.

CCORDING to the figures, global FDI peaked in 1989 and fell in 1990 a development in part related to the end of the debt-financed cross-border mergers and acquisitions boom in industrialised economies in the late 1980s. The OECD figures unfortunately stop in 1990 and therefore it is difficult to be more exact about developments

since then. However, there can be little doubt that overall cross-border FDI fell sharply in 1991 and 1992. Meanwhile, figures from the World Bank suggest continuing growth in FDI to all developing countries and into Latin America in 1991 and 1992. Indeed, 1989 appears to have marked a low point for the relative share that Latin America took in total FDI and in FDI to

developing countries. Thus it seems that the growth of foreign direct invest-

ment in the region is more than a function of the FDI boom of the 1980s. In some senses, this continued growth in developing countries may in part be a reaction to that boom: most acquisitions within the industrialised world during the 1980s are already considered to have been overpriced

In part, aggressive privatisation - which can happen only once - has swollen the figures. Balancing this though, debt-forequity swap programmes with subsidies for non-privatisation investments have been largely abandoned or have become irrelevant (as the secondary market prices of its debt rose close to face value) in the case

According to Ms DeAnne Julius, chief economist of the Royal Dutch/Shell Group Latin America, the increased FDI flows to developing countries may be more than a short-term phenomenon. She calculates that FDI to developing countries could grow from \$30bn in 1990 to \$30bn (in 1990 dollars) in 2000, representing 30 per cent of world flows against 17 per cent in 1990. Latin America, she notes overteel she notes, overtook east Asia as an FDI destination in

The continued rise of FDI into Latin America is important too because it demonstrates that Latin America may have less to fear from eastern Europe than most of its governments thought per-haps two or three years ago.

Voices of dissent

ECONOMISTS, however, do not make foreign investment decisions. Producers do. And some producers are sceptical that the course now adopted in the region - the economic strategy praised so widely will necessary yield the expected investment.

The Latin American head of one multinational holds a view of economic policies in Brazil and Argentina - two countries in which it has had long-standing operations - which is dismetrically opposed to the conventional economic wisdoms.

He sees policy in Argentina. where his company is losing money, as disastrously damaging the country's economic structure: low tariffs and a high exchange rate have made imports cheap and forced him to cut prices. Meanwhile, because domestic inflation is slow to come down, his domestic costs structure is rising and his company is caught in a

wonderful place to export products to, but as an awful place in which to establish a factory. On the other hand, he is enthusiastic about Brazil, where his company is making significant profits but which economists view almost as an economic

disaster zone. Another large multinational, this time from the US, is cited as planning to invest heavily in Latin America - in one country: Brazil. This is because Brazil is the biggest home mar-ket and can be used as a base for the rest of Latin America. If the factories were to be established outside Brazil, the company believes it would find it almost impossible to sell into

the largest domestic market. Economists would argue that, while it is not unusual for producers to seek to extract benefits from import substitution, the policies that produc-ers tend to favour tend to prop up inefficient industry. These policies have harmed Latin

America in the past. Furthermore, the whole point of opening the economy is to create more efficient industries where the country has a comparative advantage and to close down uncompetitive plant. Thus, under the North American Free Trade Agreement between Canada,

BRAZIL

Brazif) seeks Corporate

Finance/ Investment Banking

Top MBA School in U.S.A

Positions, Fluent in Portugi Spanish and English

the US and Mexico, capital-intensive production could be expected to concentrate in the US; and labour-intensive production in Mexico, where it is cheaper.

Influences on foreign direct investors

THE EXTENT of future development of regional free trade areas will have a significant impact on longer-term direct investment trends. Ratification of Nafta - due this year to go before the legislatures of the three countries would provide an important

pointer The huge direct investment into Europe in the 1980s ahead of the creation of the single market strongly suggests that companies are driven to invest not only by fears of future trade barriers but also by expectations of improved growth opportunities.

According to the International Finance Corporation, the private sector arm of the World Bank, market size is one of the most important considerations in making investment location decisions, while prospects for market growth are also particimportant. Larger markets mean bigger local sales, which are usually more profitable than exports. Larger markets offer more diverse resources to make local sourcing more feasible.

According to the IFC, relative costs continue to play an important role in influencing decisions on the location of foreign direct investment. But some factors are now less important, in part because direct labour costs in many

industries now account for



bly work in Mexico. Component supply links between companies are important factors in attracting foreign investment

only 10-15 per cent of manufac-

turing costs. To encourage direct invest-ment, many Latin American governments may be tempted to offer subsidies. A more sensible response would be further reforms, for example of the labour market Social security and other systems act in many countries as a payroll tax and sharply raise the costs of employing labour while often providing marginal benefits to

With the rising cost of white-collar workers, there is an important attraction if countries offer a pool of well-educated labour. Many Latin American economies are wellequipped to offer such labour, although there is often insufficient skilled labour. There is thus a gap between the highly educated and the unskilled workers, which can be filled only by improvements in education systems that have dete-

riorated over the last decade. A country's legal system is also critically important. For foreign investors - as well as for ordinary citizens - the

legal systems of the region leave much to be desired. Investors are conscious that while Latin America's judicial processes may be more developed than those of east Europe. they are still often arbitrary and prone to corruption. The dictum of the Mexican president Benito Juarez still often applies: "To my enemies the law; to my friends everything."

Perceived country risk also continues to be important to investors, but it is obviously less so in some industries where, for example, returns are high or where operations can be terminated rapidly without undue cost, such as garment assembly. The advertised fast payback period is presumably wby some investors are willing to consider tourist developments in Cuba, where the risk of political upheaval is hardly

Potential investors also look at the level of existing foreign investment for assurance and at the possibility of synergies developing as foreign firms become one another's suppli-Continued on facing page:

 $i \not\in \Xi$

Baring Securities

RESEARCH ON LATIN AMERICA

As part of its research commitment to Latin America, Baring Securities has recently published three comprehensive 160-188 page reviews on Argentina, Brazil and Chile, and a 100 page guide to Mexican financial groups.

To order a copy of any of these publications.

please fill in and return the coupon below. TOPICS COVERED:

Argentina. Brozil and Chile Reviews

- Investment summary
- · Natural and human resources
- History and politics
- Economy
- Main economic sectors
- Securities markets Analyses of major listed stocks

Mexican Financial Groups

- · History of the Mexican Banking system
- The Mexican Financial system
- Mexico's Big Bang
- Investment opportunities and strategy
- Individual reports on seven leading
- financial groups



The Securities and Futures Authorit

Sales will be restricted to institutional investors and enies. Under no circumstances will orders be ted from the United States of America,



Argentina - Riding into a New Era (March 1992) Bruzil - Changing Course (December 1992) Calle - Scaling New Heights (July 1992)

Mexican Financial Groups (September 1992)

(total) made payable to Baring Securities Limited.

 PUSTCODE . FAX:

Maria Jasewicz, Baring Securities Limited. I America Square, London EC3N 2LT. Tel: 44 71 522 6000 Fax: 44 71 702 0008

THE CENTRAL AMERICAN BANK FOR ECONOMIC INTEGRATION (CABEI) A development institution serving the public and private sector of the Central America Region

wishes to express its appreciation to all the following entities for their financial support;

Official Entities THE EXPORT-IMPORT BANK OF JAPAN THE INTER-AMERICAN DEVELOPMENT BANK EXPORT-IMPORT BANK OF THE USA USA-AGENCY FOR INTERNATIONAL DEVELOPMENT KREDITANSTALT FUR WIEDERAUFBAU COFACE-FRANCE CESCE - SPAIN OFFICIAL CREDIT INSTITUTE - SPAIN DUCROIX - BELGIUM

THE EXPORT-IMPORT BANK OF KOREA BANCOMEXT - MEXICO MINISTRY OF THE TREASURY OF MEXICO COMMONWEALTH DEVELOPMENT CORPORATION FIV · VENEZUELA DANIDA - DENMARK

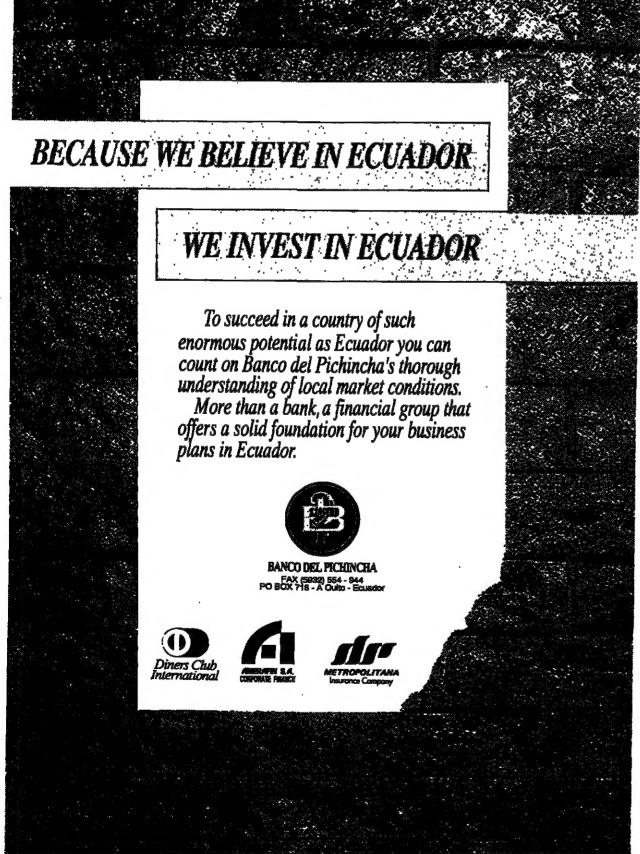
ASDI - SWEDEN NORAD - NORWAY

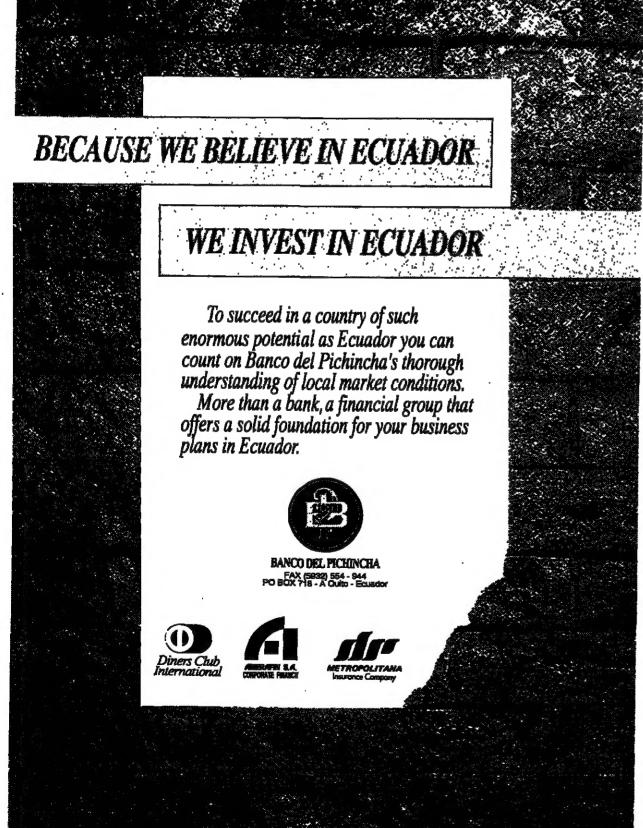
EUROPEAN ECONOMIC COMMUNITY MINISTRY OF THE TREASURY OF THE REPUBLIC OF CHINA

Private Entities SWISS BANK CORPORATION BARCLAYS BANK, PLC CHEMICAL BANK BANK OF BOSTON DEUTSCHE SUDAMERIKANISCHE BANK CREDIT LYONNAIS SOCIETE GENERALE **BANCO SANTANDER** BANCO ARABE ESPAÑOL INTERNATIONAL MEXICAN BANK AND ALL PARTICIPANT PRIVATE BANKS GENERALE BANK ABN AMRO BANK Federico Alvarez-Fernandes • Executive President

lose Miguel Gaitan-Alvarez • Exec. Vice President laime Chavez-Almendares • Financial Manager

P.O. Box 772, Tegucigalpa, Honduras, Cerst. America Tel: (504) 37-3119, Fax: (504) 37-9173





AN IDB/IRELA PUBLICATION FOREIGN DIRECT INVESTMENT IN LATIN AMERICA AND THE BEST OF BOTH WORLDS THE CARIBBEAN: An Overview of Flows from Europe, Japan and the United States, 1979-1990 **ALONDON** FDI will play a key role in financing the resources gap of Latin America and th Caribbean in the 1990s. This timely new book, jointly researched and published b the Institute for European Latin American Relations (IRELA) and the Special Office in Europe (SOE) of the Inter-American Development Bank (IDB), offers an insightful, authorizative study of external investment inflows to the region over a crucial twelve-year period complemented by preliminary figures for 1991 FOI flows. Drawing from an impressive range of data sources, it presents a detailed breakdown of IDI flows to Latin America by major source and destination countries, as well as in sectoral terms. It identifies the main trends and motivating Fax: 071-820 1752 factors and, crucially, compares European data with figures for Japan and the United States. The book, moreover, contains a comprehensive set of statistical tables and a methodological and data interpretation annex for specialists. This

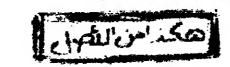
opportune publication will prove useful to those in the private and public section alike, as well as constituting an essential addition to institutional documentation

Fux 34 (1) 562 64 99

Price including postage: 17 ECU; \$24 ISBN 84-88607-00-8 Orders to: IRELA Publications, Pedro de Valdivia 10, Madrid 2800

Call: 34 (1) 561 72 00





Continued from facing page:

ers. Such a development is already in evidence in the Mexican car industry.

s of the region

to be desired

conscious ligi

inerica's Judicas

De more dese

se of east Europ.

often artnur.

corruption. To

luarez still often

my encimes the

auge exercipling

nuntry risk de

i ii is obviousi:

some industria

imple, returns we

e uperations can

rapidly without

stick as jarrely

e advertised is

ed is presumbly

estors are willing

courist develop

a, where the risk

phearal is hardh

Act wile Profession

f existing foreign

of destitution and

unty of strenger

is foreign home

unother's epph

d on facing page

CA

Brez"

do . 1 - collect

ABEI)

5254

be important to

Mexican pre-

The quality of infrastructure is an important determinant of the attraction of foreign direct investment. This underlines again - as in education - the importance of an appropriate public investment policy as an essential element in the encouragement of private investment. FDI prospects depend also on

what is happening in a compa-ny's traditional markets. Just as portfolio investors started looking at emerging markets when returns at home dropped. so corporate investors have stretched out to developing countries in an attempt to raise their returns on capital.

Some companies facing mature markets at home where they have to battle expensively with competitors for fractions of a percantage point in market share are increasingly looking for a foothold in fast-growing developing country markets. One illustration of this mature market phenomenon suggests it costs 10 times more to attract one new visitor to Disneyland than it did a

decade or so ago. Typical of these companies are those in what are now called fast-moving consumer goods. One such company is Nestlé, which first entered Latin America in 1876, selling to Brazil. It established its first sales office in Rio de Janeiro in 1914, with a factory in 1921. Today it has 70 plants and 30.000 people in Latin America. providing 11 per cent of Nestle turnover. The region's share of the volume of production is higher than that however, because controls have kept

Partly because of the general lifting of price controls, Nestla After a "lost decade", the company's sales in Argentina have trebled in a year. It expects profit margins to recover faster than sales, but investments will also be higher: its plans call for \$2bn of investm

Buenos Aires gas distribution

company - shows. Service industries - hotels

and financial services, for

example - have also attracted

foreign investment. Services

have grown considerably in

importance in worldwide FDI: they represented a quarter of

FDI stock at the end of the

1970s, but by the end of the

1980s, they represented half of the FDI stock and 55-60 per

Yet, from the Latin Ameri-

can perspective, both service

industries and utilities are

areas where competition from foreign tradeable goods is lim-

ited - because there is no sig-

nificant competition with

imports. Moreover, privatisa-

tion encourages capital

inflows, but it is a one-off phe-

at the attraction of FDI in

Latin America industry by

industry. Chocolate, tooth-

paste, water, hotels and bank-

ing are important sectors, but

it is still hard to see how direct

investment in these areas is

going to yield increased

exports. And on this, the suc-

cess of the model in large part

But there is one area where

foreign direct investors regu-

larly mention Latin America's

comparative advantage: its

wealth of natural resources.

From the FDI perspective, the freedom that the Chilean gov-

ernment has given to foreign investors in exploiting its natu-

ral resources has been an

important element of Chile's

success in attracting invest-

ment. Yet many countries -

including the region's two larg-

est economies, Mexico and Bra-

zīl - have laws which substan-

tially forbid foreign investment in the mining and oil sectors.

Foreign raw material exploi-

tation will not provide the

answer to the region's prob-

lems of development. But

There is thus a need to look

cent of all new flows.

the region during the 1990s. Untlever, the Anglo-Dutch household goods group, is looking favourably at Latin America and the Pacific and their sometimes "phenomenal" growth rates, contrasting them with the position in the US and Japan where the challenge is "the laborious winning of market share". In many developing countries, a small rise in GDP is enough to bring many new people into markets.

Pepsico said this month that it would invest about \$750m over the next five years on its bottling operations, extending its distribution network and marketing its products more aggressively in Mexico.

OLGATE-PALMOLIVE is another company that has seen steady growth in its Latin American operations since 1985. Now the company is considering acquiattions in several countries, some of which would be sizeable. It is interested in extending joint ventures, such as that with Clorox in Mexico to man ufacture bleach. It invested \$50m in the region last year, in 1993 the figure could be signifi-cantly higher.

If they want to expand in Latin America, companies such as Colgate-Palmolive are likely to establish production facilities there rather than export: the reason is that the low value-to-weight ratio of its products makes it expensive to transport them.

There are other areas where the region appears attractive to foreign investors, as the interprices down. est in the privatisation of Argentine utilities - including British Gas's investment in the is positive about the region.

capital flows to the region dur-ing a potentially difficult tran-sitional period when much domestic industrial capacity that depended on import sub-stitution for survival is closed In fact, the main benefit of

FDI over time will lie more in the transfer of technology than in medium-term balance of payments financing. It fosters payments financing. It fosters industrial development and the creation of human capital, and provides access to scarce technology, marketing links and management know-how. Over a period of time, suc-

allowing it could well increase

cessful FDI entails a stream of service payments which will reduce the iransfers of resources. US Commerce Department statistics show that in 1991 income from US direct investment in Mexico was \$2.3bn, which exceeded new direct investment from the US in that year.

From 1965 to 1986, net transfers on FDI (that is new investment minus remitted profits) to all developing countries were either negative or only marginally positive. The current popularity of FDI in the region may therefore wane as remittances start adversely to affect the balance of payments.

In conclusion . . .

A positive but highly uncertain outlook

LATIN AMERICA'S new capital inflows have undoubtedly to be seen in part in the context of important changes in capital movements at a global level - the growing integration of capital markets across borders, institutions and financial market sectors. Traditional markets have matured. Businesses have become international in perspective, looking beyond their national borders for new products, customers and inputs. improved transport and communications have facilitated this as has technological change and innovation.

Such changes suggest that, provided an open world trad-ing system remains in place, long-term external structural reasons exist for continued

\$200,000,000

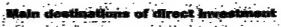
Grupo Televisa S.A.

de C.V.

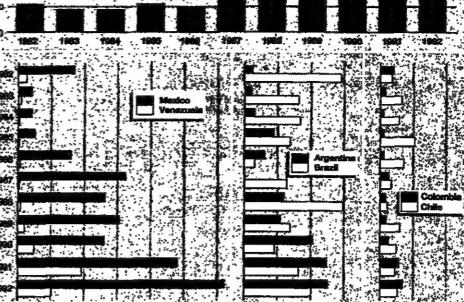
Eurobonds

Co-Manager

June 1992







flows of capital to Latin Amer-

Much still depends on a continuation of the developments in the region in the last five years: in particular, the better economic management and greater political stability. This will in turn hang on the results of the coming round of presi-dential elections in Latin

In some countries, these elections will be taking place in a transitional period: the initial glow from renewed capital inflows will have worn off, the shrinking of industry brought about by economic and trade reform will start to bite and the longer-term benefits of investment will have yet to become apparent,

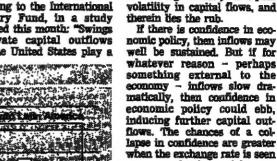
Indeed, economic forecasts suggest slower growth for 1993. Widening trade deficits seem set to act as a drag on economies, as will interest rates set higher either to support a weak currency or to tackle high wage demands.

There will thus be the temptation to abandon the fight against inflation in a bid to restart growth. The World Bank points out that in a

global marketplace there is a sharply-reduced tolerance for poor policies; yet this does not mean that governments will not try them.

in part, longer-term pros-

pects will be determined by how investors fare in Latin America in these transitional years. They also depend on investor behaviour in a US economic recovery and as US interest rates start to rise. According to the International Monetary Fund, in a study published this month: "Swings in private capital outflows from the United States play a



Argentina. Latin American governments can play their part in reducing volatility by making sure their economic policy "fundamentals" are strong. But they are not masters of their own destinies, by any means.

\$100,000,000

Electricidad

Euroboods

Co-Manager

June 1992

Euro-Notes

Co-Manager

April 1992

de C.V.

Comisión Federal de

FF 500,000,000

Petróleos Mexicanos

Ps 50,000,000,000

Grupo Martí, S.A.

Common Shares

Lead Manager

as overvalued, a risk now

being run both in Mexico and

key role as external impulses that affect the size of capital

inflows into Latin America."

Furthermore, despite the

Brady settlements, some gov-ernments remain vulnerable to

interest rate increases on their

Foreign capital has been lik-

ened to an umbrella that opens

in the sunshine and closes in the storm: it flows abundantly

only when least needed This

underlines the importance of

efforts under way to enhance

domestic savings to reduce the reliance on foreign capital. For example, the pension fund

reforms proposed in Argentina

might add 2-3 percentage

points to the domestic savings

rate. However, increasing domestic savings is not some-

thing that can be achieved

overnight and dependence on

external savings seems likely

to continue in most countries

for some time. And even

though there are many reasons

why substantial capital inflows

should continue through the

1990s, that is not to say that these will occur. There may

well be significant year-to-year

foreign debt.

30 Examples Of Why We're Mexico's Leading Investment Bank.

\$173,500,000 Mexican equity offering, Lead Manager

Grupo Embotellador de México, S.A. de C.V. U.S. ADR offering. Co-Lead Manager

July 1992 \$300,000,000 \$100,000,000 Nacional Financiera, Fomento Económico Mexicano, S.A. de C.V. S.N.C. Euro-Notes Eurobonds

Co-Manager

\$757,687,500 Teléfonos de México, S.A. de C.V. Mexican equity offering, Co-Lead Manager U.S. ADR offering, Syndicate Member

\$200,000,000 Banco do Brasil, S.A. **Eurobonds**

Co-Manager

March 1992 \$150,000,000 Petróleos Mexicanos

Co-Manager

Grunna, S.A. de C.V.

\$70,000,000

Bridge Loan Facility

Sole Arranger

Co-Manager

\$280,000,000 CEMEX, S.A. Eurobonds

Co-Manager

Dealer

July 1992 \$75,000,000 Tubos de Acero de México, S.A. Euro Commercial Paper Program

\$100,000,000

Unizo de Bancos

Brasileiros, S.A.

Euro-Notes

Co-Manager

\$132,500,000 Aracruz Celulose, S.A. U.S. ADR offering, Syndicate Member

\$31,000,000 The Mexico Dollar Income Fund, Ltd. Common Shares

Investment Advisor, Placement Agent

\$100,000,000 Citibank, N.A. acting through its Beazil Branch

Euro-Notes Co-Manager

March 1992 \$20,000,000 Tubos de Acero de México, S.A. de C.V. Euro-Notes Sole Dealer

What you see is a sample of the transactions completed in 1992 by Grupo Financiero Serfin's investment banking subsidiaries. Operadora de Bolsa Serfin in Mexico and Serfin Securities in the U.S. and U.K. Precisely the performance you'd expect from the firm that participated in nearly half of all Mexican equity offerings during 1992. As well as almost half of Mexico's Eurobond issues as sole dealer, co-lead manager or co-manager. Fact is, when it comes to Mexico no firm comes close in deals or dollar volume. Because no other firm has our experience and expertise in debt and equity underwriting and placement. What is more a major market

October 1992

Anónima

Euro-Notes

Co-Manager

Buro-Notes

Sole Manager

\$70,000,000

\$45,000,000

Grupo Embotellador

de México, S.A. de C.V.

Vitro, Sociedad

maker in Mexico and throughout Latin America.

If you'd like more examples of the capabilities of
Grupo Financiero Serfin, call Isauro Alfaro at 525-687-1299 in Mexico City. Or Luke Haran, Jr. at 212-750-4220 in New York. And find out what Mexico's leading investment banker can do for you.

grupo financiero serfin INVESTMENT BANKING

November 1993

\$110,000,000 Grupo Embotellador de México, S.A. de C.V.

Eurobonds

June 1992

Fond, Ltd.

April 1992

de C.V.

March 1992

Registered Fund Selected Dealer

Co-Lead Manager

\$108,750,000

Emerging Markets

Telecommunications

\$488,750,000

Empresas ICA Sociedad

Mexican equity offering, Co-Lead Manager

Ps 179,360,000,000

Grupo Cementos de

Mexican equity offering, Lead Manager

U.S. offering International Placement

Chilmahua, S.A. de C.V.

U.S. ADR offering, Syndicate Member

Controladora, S.A.

\$75,000,000 Transportación Maritima Mexicana, S.A. de C.V. Stepped-up Coupon Puttable Notes

Co-Manager

Jame 1992

\$100,000,000 Aerovías de México, S.A. de C.V. Euro-Notes

Co-Manager

\$100,000,000 União de Bancos Brasileiros, S.A. **Euro-Notes** Co-Manager

January 1992 \$300,000,000 Petróleo Brasileiro Euro-Notes

\$69,000,000 The Brazil Equity Fond

Common Shares Co-Manager

January 1992

\$50,000,000 Banco Bradesco S.A.

Euro-Notes Co-Manager Serfin Securities, Inc. Moor House 119 London Wall London, England EC2YSET Tel (4471) 920-9677

Operadora de Bolsa Serfin, S.A. de C.V. Insurgentes Sur. No. 762 Piso 10 Col. de Vulle 08100, Mexico DF

Serfin Securities, Inc. 399 Park Avenue, New York 10022 Member NASD and SIPC

200

F-4-55 1. 15 (1.45) 4

THE FUTURE OF BANKING IN MEXICO.

LATIN AMERICAN FINANCE 6

Tracy Corrigan looks at the markets in Latin debt

Lines are blurring

American debt market is changing rapidly, as an increasingly broad range of investors enters the market.

As this process advances. there has been a blurring of the strict delineation between Latin American country loans traded in the secondary market and new issues launched in the Eurobond market by both sovereign and corporate Latin American borrowers.

in the wake of the debt crisis, when many Latin American countries defaulted on their bank loans, the secondary market in their debt grew up as a result of trading by banks, largely creditor banks trying to lay off or manage

When Latin American sovereign and corporate borrowers returned to the Eurobond market a few years ago, these highyielding bonds were initially bought largely by retail investors in Europe or by Latin American nationals (in the form of so-called flight capital). But the region's recent

record of strong growth and economic reforms has attracted new investors and a growing number of specialist funds. In fact, the market in secondary bank loans has now been virtually replaced by a market in Brady bonds, the restructured bank debt created under the Brady debt reduc-

Venezuela and Mexico have already implemented their Brady plans, and Argentina is poised to issue its Brady bonds. Meanwhile, trading in Brazil-

lan debt has stopped, ahead of the implementation of the Brady package there, which was agreed with Brazil's bank advisory committee last July, but has been disappointingly slow to come to fruition.

The conclusion of the package has been delayed by the need to get an International Monetary Fund agreement in place prior to the Brady plan. The IMF agreement in turn requires a new package of measures by the government which have, in turn, been

delayed by political problems. Meanwhile, trading in Brazilian bank debt has come to a standstill, because hanks have already tendered for bonds under the Brady plan. Instead, trading is concentrated in IDU of interest payments) and in when-and-if-issued (WIFI) Secondary market prices



Brady bonds, Mexican par bonds have performed well, holding their spread relative to the US Treasury market until market rally. However, the market in Venezuelan par and conversion bonds has been much more difficult - "there is a permanent political crisis; as a result, the fiscal deficit and current account deficits are mounting," says Mr Paul Luke, head of developing country

research at Morgan Grenfell. The price of the par bonds slumped a point to 56% in a week, despite the strong rally in the US market.

Meanwhile, the spread of investors in Latin American Eurobonds continues to increase, with even mainstream institutional investors beginning to dip their toes into the market, by buying Latin American securities as a small part of large and diversified

N appetite for extra yield, at a time when low interest rates are squeezing returns, has encouraged more investors to look at Latin American bonds. Although the market has been volatile, there has been, overall, a steady tightening of yield spreads relative to the US Treasury market in recent years, as the creditworthiness of Latin American borrowers

But the market suffered a setback at the end of last year, when oversupply caused yield margins to widen substantially. However, those wider margins, reviewed at the start of the year, started to attract investors back to the market.

As well as the broader range f investors, smaller Latin American countries are now returning to the market. Also, Brady bonds. Among other the market is now open to

more Latin American compa nies, though investors remain Colombia, which has never rescheduled its debt, will make its debut in early April, via Bankers Trust, with a \$100m issue of five or seven-year Eurobonds, which is expected

to attract strong demand. Meanwhile, Uruguay, which completed its first Eurobond last year, is to return to the market with a five-year deal, arranged by Chase Investment Bank. Some bankers believe that Peru - or a governmenttap the market this year, after having implemented a number of economic reforms last year. Ecuador is also cited as a

potential new borrower. However, bankers have become increasingly frustrated in their efforts to bring Chilean borrowers to the market. The government has clamped down on foreign borrowing, barring banks from tapping the market and restricting all but a few

"Every time you get a mandate, the Chilean authorities change the rules - in effect, blocking the market," complains one banker.

Chile has an active domestic market, where funding of up to 20 years is available, but the amounts are small. In addition, banks are keen to raise dollars in the international market to on-lend to companies for their export busines

Borrowers are also beginning to tap markets other than the dollar market. Venezuela is said to be planning a DM350-400m issue of five-year bonds via Commerzbank (having just issued three-year dollar bonds in the domestic Colombian and Per can oil company, recently tapped the Swiss franc bond

Richard Lapper shows how pension funds can help promote local capital markets

Tough testing ground for reform

of a far-reaching reform of Argentine pensions law is making life easier for Mr James Riley and Mr John Williams, who both work with UKbased merchant bank, Kleinwort Benson

The two men have spent the last six months advising the Argentine government on the privatisation of the stateowned bank and insurance company, the Caja Nacional de

Ahorro y Seguro. The pension fund reform will ead to the rapid development of the private pensions and life insurance market, boosting both local and overseas inter-est in the Caja, which will expect to have a sizeable slice of the action.

That should improve the price the Argentine government should get for the sale estimated by Mr Williams at between \$60m and \$100m - and provide a useful boost to the Latin American activities of Kleinwort and Coopers and Lybrand, the accountancy and management firm that is also involved.

"One of the key selling points of the Caja is its ability It should help all round," says Mr Williams, who expects the privatisation to go ahead in the

But much broader interests hinges on the successful approval and implementation of a private funded pensions system in Argentina. At a time when virtually every Latin American government is considering the replacement of increasingly unwieldy "saveas-you-go" pensions schemes -in which pensions are paid out of current taxation and social security revenues - success in Argentina would be a huge fillip for the continent's pensions

embryonic industry. Local and foreign investors have been encouraged by the progress in Chile, where the pension system was privatised

social and political context offered by Argentina is likely to be a tougher testing ground for the idea that the development of private pension funds can contribute towards the successful modernisation and liberalisation of the continent's

sion fund reform has been hugely influential among the

businessmen. Chile replaced its to the AFPs. Since then they pay-as-you-go system in 1981. with a law that obliged workers to contribute 10 per cent of their wages to private funds. Already over a dozen pension fund administration companies or administradores de fondos de pensiones (AFPs) have built up

\$12.5bn in funds. These developments have

Much hinges on the approval of a privately funded pensions system in Argentina

been among a number designed to strengthen the

The Santiago stock market, boosted by new issues stemming from an ambitious privatisation programme, has been given stability by the AFPs, who can invest up to 30 per cent of their assets in stocks. and have begun to function as institutional investors, owning about 10 per cent of the market's \$30bn capitalisation.

The AFPs are also at the centre of the development of the only long-term debt market in Latin America. In 1989, Chile developed strong enough credit ratings to be able to sell bonds have sold more than \$5bn in honds with maturities up to 27

Last year Chile's AFPs enjoyed a 48 per cent return on their assets, tempting three European groups Banco Santander of Spain, Union des Assurances de Paris and Les Mutuelles du Mans Assurance of France to invest in the sector alongside US groups such as Bankers Trust, Aetna and American Insurance Group.

Talk of the Chilean experience dominated a recent conference on pension fund reform in San Diego, California. Mr Rudolf van der Bijl. an official with the international Finance Corporation, a World Bank subsidiary which promotes private sector development, told the conference: "The demand for marketable securities generated by the accumulation of long-term savings in the hands of funded pension plans can provide a strong boost to emerging markets.

Mexico, Peru and Argentina are presently drafting legislation to replace or complement their state systems with private retirement schemes other countries may soon follow suit. Mexico has set up a new system that will co-exist with its existing social security system. The Argentine system will differ in some respects - banks and insurance companies will be allowed to own pension fund companies for example and the government-owned Banco de la Nacion will compete with privately owned pen-

sion fund managers with its own facility. The success of Chile's pension fund reform has strongly influenced the

continent's politicians

But, in other respects, Argentina's model mirrors relopments on the other side of the Andes. Argentine workers are likely to be forced to contribute 11 per cent of their salaries to pension funds of their choice. The stakes are high. If successful, Argentine pension fund managers could be managing \$3.5bn within a year and up to \$40bn within a decade, providing a valuable source of capital for the local stock market.

However, the transition could well be painful, partially because Argentina's social security is both more developed and under much more

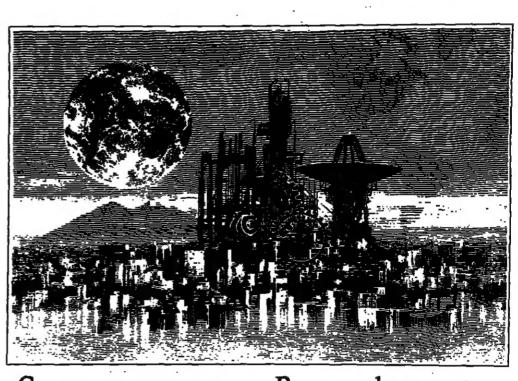
strain than those of its neighbours. The number of pension ers has roughly doubled compared to the number of workers making contributions. Employers contributions have been increased in response 40 per cent of payroll is paid in social security taxes.

provisions credit Lyo to FFr 1.85

Even so, heavy arrears amounting to some \$10bn have been accumulated and benefits have declined in real terms. leaving thousands of pension: ers on incomes well below the official poverty level. Local newspapers have reported pub-lic suicides by distressed pen-

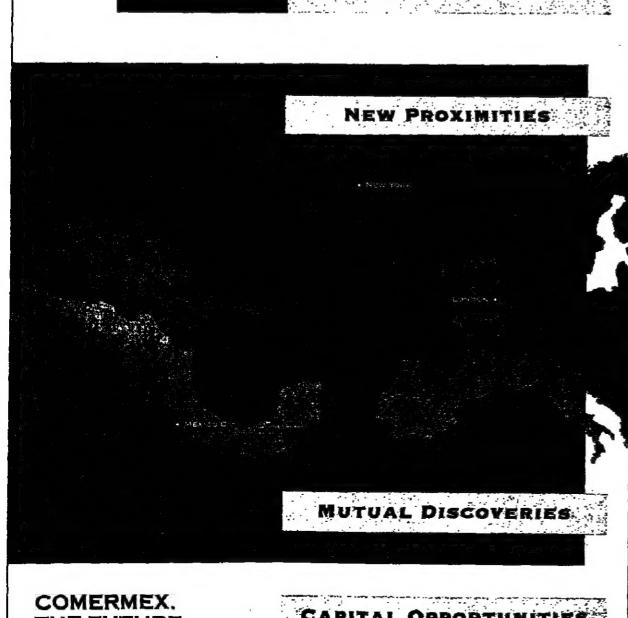
Advisers believe that the establishment of a fully funded scheme is the only way the problem can be tackled - "it is an absolutely crucial step to make," says Mr Riley. But the transition period will not be easy: he expects the move towards a new system will worsen problems in the short term, as new contributions are funnelled into investment funds rather than towards

"In Chile, the system was introduced by an autocratic regime. The trick is to see whether it can be done in a democracy. It will be a real test



onsumer Produc and Financial Services





NEW PERSPECTIVES FROM COMERMEX

VMI SECURITIES INC.

Specialists in Latin American Finance

VMI Securities Inc. 245 Park Avenue New York, NY 10067

Tel: 212-272-2878 Fax: 212-272-6806

NASD Registered

COMPANIES (OFF SHORE)

Complete Services for Incorporation of Companies

in various countries of the world.

Administration services

Redomicilliation of Companies

 Bookkeeping and Auditing International Banking Services

(includes opening of account)

Planning and Fiscal Services

 Financial Advisory Services. For more information, please contact:

CILASA COMPANIA DE INVERSIONES LATINOAMERICANAS, S.A. Post Office Box 6-3991, Estafeta El Dorada Panama, Republic of Panama

Telephone: (509) 64-0933 Fax: (509) 63-6879 Miembro del Grupo (Godo)

